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THE BRITISH CHAMBER OF COMMERCE FOR ITALY (INCORPORATED)
FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company ("the Chamber") and of the profit (surplus) or loss (deficit) of the Chamber for that period. In preparing those financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Chamber will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Chamber to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Chamber and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure of Information to Auditors

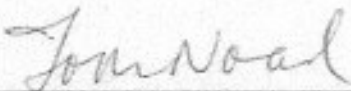
In the case of each of the persons who are Directors at the time of approval of this report:

- a) so far as the Directors are aware, there is no relevant audit information of which the Chamber's auditors are unaware, and
- b) each Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Chamber's auditors are aware of that information.

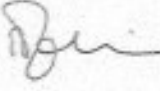
**STATEMENT OF INCOME AND EXPENDITURE AND ACCUMULATED FUND FOR
THE YEAR ENDED 31 DECEMBER 2019**

	<u>Notes</u>	<u>2019</u>	Euro <u>2018</u>
INCOME			
Subscriptions:			
- Members		242,014	240,005
- Foreign English Language Schools		39,875	37,879
Services	4	92,840	91,425
Total income		<u>374,729</u>	<u>369,309</u>
EXPENDITURE			
Staff costs	5	184,473	187,368
Cost of services rendered	6	79,629	76,680
Office rental	11	12,037	48,226
Professional services	7	15,504	18,269
Depreciation	11	29,992	2,813
Other	8	51,348	54,093
Total expenditure		<u>372,983</u>	<u>387,449</u>
Operating Surplus (Deficit)		1,746	(18,140)
Financial expenses, net	9	(6,444)	(764)
Deficit before taxation		<u>(4,698)</u>	<u>(18,904)</u>
Less: taxation	10	(5,962)	(4,864)
Deficit for the year		<u>(10,660)</u>	<u>(23,768)</u>
Accumulated fund at 1 January		<u>35,137</u>	<u>58,905</u>
Accumulated fund at 31 December		<u>24,477</u>	<u>35,137</u>

The notes 1 to 22 form part of these accounts



Tom Noad
 President

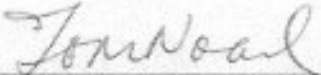


Roberto Franchini
 Treasurer


BALANCE SHEET AT 31 DECEMBER 2019

	<u>Notes</u>	<u>2019</u>	Euro <u>2018</u>
<i>Non-current assets</i>			
Right-of-use asset	3, 11	167,484	-
Web-site	11	3,687	-
Office furniture and equipment	11	10,556	5,257
		<u>181,727</u>	<u>5,257</u>
<i>Current assets</i>			
Cash	12	189,988	186,855
Receivables	13	35,161	41,780
		<u>225,149</u>	<u>228,635</u>
Total assets		<u>406,876</u>	<u>233,892</u>
 <i>Current liabilities</i>			
Lease liability, current portion	14	29,495	-
Payables	15	83,672	68,817
Deferred income, current portion	16	93,200	82,291
		<u>206,367</u>	<u>151,108</u>
<i>Non-current liabilities</i>			
Lease liability	14	129,018	-
Deferred income	16	3,333	13,317
Provision for employee leaving indemnity	17	43,681	34,330
Total liabilities		<u>382,399</u>	<u>198,755</u>
Net assets		<u>24,477</u>	<u>35,137</u>
 Represented by;			
Accumulated fund		<u>24,477</u>	<u>35,137</u>

The notes 1 to 22 form part of these accounts



Tom Noad
President

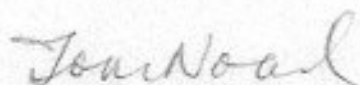


Roberto Franchini
Treasurer

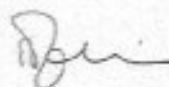
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	Euro 2018
Deficit for the year	(10,660)	(23,768)
Cash items arising from non-operating activities:		
- Financial expense (income)	6,444	764
Non-cash items:		
- Depreciation charge	29,992	2,813
- Charge for employee termination indemnity	9,351	9,264
Changes in working capital:		
- Decrease (increase) in receivables	6,619	(24,629)
- Increase (decrease) in payables	14,855	8,333
- Increase (decrease) in deferred income	925	31,254
Net cash inflow (outflow) from operating activities	57,526	4,031
Cash flow from investing activities:		
- Purchase of non-current assets, net	(13,519)	-
Cash flow from financing:		
- Payment of lease obligations	(39,946)	-
- Other financial expenses	(928)	(764)
	(40,874)	(764)
Net increase in cash	3,133	3,267
Balance of cash at 1 January	186,855	183,588
Balance of cash at 31 December	189,988	186,855

The notes 1 to 22 form part of these accounts



Tom Noad
President



Roberto Franchini
Treasurer

1. BACKGROUND

The British Chamber of Commerce for Italy (Incorporated) (hereinafter "the Chamber") is a private non-profit organisation organized as a UK company limited by guarantee. In 2018, the Chamber's primary place of business was Via Dante 12, Milan. In early 2019, the Chamber moved to new offices in Via Sforza 4, Milan. The primary mission of the Chamber is to assist and encourage the development of trade and investment between the United Kingdom and Italy and to support and promote the interests of its members' commercial activities.

2. BASIS OF PRESENTATION OF THE ACCOUNTS

The accounts are prepared on the going concern basis under the historical cost convention and are based on the Chamber's accounting records used for taxation and other purposes in Italy. The Articles of Association of the Chamber require that the Accounts be prepared in accordance with International Financial Reporting Standards in compliance with Section 395 (1)(b) of the Companies Act, 2006. Although exempted from a statutory audit under the Companies Act 2006, the Articles of Association require that an audit of the accounts be performed in accordance with International Standards of Auditing.

Certain amounts in the comparative accounts for the prior year have been reclassified to comply with the presentation of the 2019 accounts. In particular, certain costs related to our office premises (primarily condominium, energy and cleaning expenses) have been reclassified to "Other Expenses" leaving "Office rental" as a separate line item, and financial expenses have been reclassified from "Other expenses" to a separate line item below "Operating Surplus (Deficit)".

The principal accounting policies, which have been applied consistently, are set out below.

3. ACCOUNTING POLICIES

Non-current assets

Right-of-use asset

Effective January 1, 2019, the Chamber applied the new accounting standard on Leases, IFRS 16.

In accordance with IFRS 16, the Chamber has identified the office premises of Via Sforza as a right-of-use asset and is depreciating this asset over the initial life of the lease agreement as described below. The initial carrying value of this asset is represented by the present value of the lease payments due under the agreement plus the cost of the real estate agent's commission. Each lease payment is allocated between a reduction of the lease liability and interest expense. The interest expense is charged to the income statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The initial lease term for the office is six years renewable for an additional six years. The agreement also contains a termination option by the lessee commencing the third year after inception, however, at the current time there is no expectation that this option will be exercised. Accordingly, the Council has determined the lease term to be six years for the purposes of IFRS 16.

As permitted by the transition provisions of IFRS 16, the Chamber has elected not to apply the new method of accounting to the lease agreement on the prior premises of Via Dante. As the lease agreement on those premises was terminated on March 14 2019, the impact on the income statements of the Chamber for the years ended December 2019 and 2018 would not have been material. However, the transition to IFRS 16 explains the decrease in the office rental expense and the major portion of the increase in depreciation and financial expenses between 2018 and 2019.

As permitted by IFRS 16, lease payments on right-of-use assets with low value are charged to the statement of income and expenditure on a straight-line basis over the lease term. At the current time the only such asset is a multi-functional printer/copier machine.

Web-site

The cost of development of the new website by a third-party developer has been capitalized and amortized over 5 years.

Office furniture and equipment

Office furniture and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated using the straight-line method at a rate estimated to write-off the cost of the asset over its expected useful life, which can vary between three and eight years. Depreciation rates applied are as follows:

Office equipment	20% - 33,33%
Office furniture	12%

Depreciation in the year of purchase is calculated at half the rate shown above.

Receivables

Receivables are stated at net realizable value. At the end of each reporting period, the carrying amounts of receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. There are no monetary assets and liabilities in the balance sheet denominated in foreign currencies.

Income

Subscriptions are collected from Members on an annual basis either for the period January to December or the period July to June. Subscriptions from foreign English language schools are collected for the period October to September. Such subscriptions are recognized when received. The portion of membership subscriptions received and pertaining to the following accounting period is classified as deferred income.

Income from services is recognised in the accounting period in which the services are rendered. Such income relates primarily to sponsorship of events and is recognised when the event has taken place. Payment is normally due immediately.

