



The British Chamber of Commerce for Italy

THE BRITISH CHAMBER OF COMMERCE FOR ITALY (INCORPORATED) REPORT OF THE COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2020

Members of the Council are regarded as Directors for the purposes of the Companies Act.

The Councillors have the pleasure of submitting the Report and Accounts of The British Chamber of Commerce for Italy (the '**Chamber**') for the year ended 31 December 2020.

Principal activities

The Chamber is a private, non-profit organisation whose mission 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.

We work closely with the British Embassy in Rome, the British Consulate in Milan and the Department for International Trade.

Founded in Genoa in 1904, the Chamber's head office is based in Milan and regional branches are operative throughout Italy. The Chamber is a UK corporation limited by guarantee and is registered as a foreign chamber in Italia with the Ministero dello Sviluppo Economico (Albo delle Camere di Commercio Italo-Estere o Estere in Italia or "Albo delle Camere Miste"). As our membership of the Albo delle Camere Miste is not very visible to third parties, during 2020, the Chamber formally registered as a branch with the Italian Registry of Companies (Registro delle Imprese).

At year end, the Chamber had a total of 227 members, excluding ELCS, (2019 – 226), representing a wide range of Italian and British companies as well as individuals.

The year 2020 has been a difficult year for everyone due to the global pandemic emergency and Chamber activities were no exception. The impact on the activities of the Chamber has been significant as we were required to severely curtail live events and close our offices during the periods of lockdown. In addition, we experienced a serious slowdown in collection of membership subscriptions and an inordinate number of resignations as many members reduced discretionary expenditure. Notwithstanding these difficulties we reorganized our activities around the new "norm". Our staff worked from home and, on the revenue side, we switched to organizing on-line events. These online events were met with great enthusiasm by our members and allowed us to generate a



The British Chamber of Commerce for Italy

stream of previously untapped revenue with minimal costs which more than compensated the loss of revenues from live events.

In addition, we have more than offset lost membership subscriptions with new membership subscriptions.

With respect to Chamber events, the year 2020 started out strong with a clear programme spanning the entire year which had been the result of individual and group meetings with members and key stakeholders. In the first two months of the year the Chamber delivered 18 in person events involving a great number of members and partner networks. Furthermore, the programme for 2020 included the introduction of a number of new formats that responded to the growing need to provide high profile representatives of large companies with fora that could provide knowledge sharing among their peers. Some noteworthy examples of the new formats are Star Chamber events, Human Capital Meetings and Sustainability Officers meetings.

As of March 2020, due to the Covid epidemic, the Chamber's programme was brought to a halt and an entirely new programme was built from the ground up to respond to the new unprecedented needs of Members. The Chamber promptly and efficiently adopted the most advanced technological tools available, to provide members with current and reliable information, one to one interactions, small dedicated closed-door meetings and online seminars. Since the first lockdown, the Chamber delivered 47 events online and 3 in person.

Furthermore, the Chamber held its first Virtual Trade Mission with the Glasgow Chamber of Commerce and successfully held online its traditional Awards ceremony with HMA Jill Morris CMG.

2020 also saw the consolidation of Chamber's Working Groups, which aggregated members around specific interests: D&I, Sustainability, Brexit, Tax&Legal, Inclusive Finance, as well as an increased presence in the regions, driven by the newly appointed National Delegate, Mariateresa Giussani.

The new formats, technical innovations and operational models, further accelerated by Covid, will accompany the Chamber throughout 2021 and beyond, providing Chamber members with a greater variety of offerings and a more suitable platform to advance business and professional growth.

The pandemic emergency had a particularly significant impact on our English Language Consulting Services (ELCS). The service relies primarily on the annual subscriptions paid by foreign English language schools. Due to the pandemic, all these schools were forced to suspend their activities and, as a consequence, revenues from membership subscriptions, which would have been normally due in October 2020 and for the period through September 2021 were reduced to a fraction of their normal level. We are pleased to note that schools are beginning to reopen in 2021 and thanks to the dedicated efforts of Susan Boyle some have begun to renew their ELCS membership in the first half of 2021. Nevertheless, revenues from this service will be seriously curtailed for 2021.

Councillors

In 2020 further changes were made to the composition of the Council.



The British Chamber of Commerce for Italy

We are delighted that Paule Ansoleaga Abascal, Cristiano Cominotto and Steven Sprague joined Council in 2020 and we welcome their contribution, and their opportunity to help guide the future of BCCI. In addition, in the second half of 2020, Ben Greenwood, as HM Acting Consul General was temporary replacement for Catriona Graham while Catriona was on leave.

Sharon Reilly has decided to step down with effect from the upcoming AGM after eight years as a Councillor. We would like to thank Sharon for her hard work and insight that she has brought to the Council.

Michele Cicchetti left the Council at the end of 2020.

In January 2021, Tom Noad announced that he had decided to not stand for re-election for a second term as president following the end of his first term at the end of June. In February, Councillor Steven Sprague put himself forward for the position and was subsequently elected at the Council's meeting in March to take office at the AGM on 29 June. As a consequence of this change, Tom will become Vice President (Immediate Past President) and Daniel Shillito will be stepping down from the Council. We would like to thank both Tom and Daniel for their hard work and contribution to the Chamber.

Finally, we would like to thank all existing Councillors who continued to support the Chamber throughout 2020 and we welcome the contribution of our new councillors and their willingness to help guide the future of the Chamber.

Staff

Our thanks as ever go to Aaron Pugliesi, the Chamber's Secretary General and the Chamber's staff, Maria Rosa Allegra, Maria Luisa Fantoni and Simona Cordovani along with all our interns. However, such thanks are ever more deserved for the way they reacted to the COVID-19 emergency by continuing to work from home organising on-line events and assisting our members.

Financial review

The net result of activities for 2020 is a surplus for the year of €25,665. This compares with a deficit in 2019 of €10,660 and follows a number of years in which we incurred deficits. This has resulted in an increase in the accumulated fund from €24,477 at the end of 2019 to €50,142 at the end of 2020.

The main factors contributing to the reduced surplus for 2020 are:

1. Membership subscriptions increased marginally from €242,014 in 2019 to €247,489 in 2020 notwithstanding the significant number of lost members.
2. Net revenues on Events (revenues less cost of services related to events) increased from €49,223 in 2019 to €62,830 in 2020. This was primarily due to most of our events being held online rather than live with a consequent reduction in costs which was significantly



The British Chamber of Commerce for Italy

larger than the decrease in gross event revenues (€80,085 in 2020 compared to €88,822 in 2019).

3. ELCS incurred a deficit for the year of €4,697 due to the shutdown of all residential language schools. Membership of the ELCS service runs from October to September and, while the service was able to benefit in 2020 from membership subscriptions paid in October 2019, schools remained closed for most of 2020 and, as a consequence, failed to renew their subscriptions in October 2020. As a consequence, we expect an increased deficit in 2021 but a return to surplus once schools return to full operations.
4. As more fully described in the notes to the accounts, in 2019 we adopted a new accounting standard (IFRS 16 – Leases). In the statement of income and expenditure, this change in accounting has resulted in a decrease in rental expense and an increase in depreciation and interest expense as compared to the prior year.
5. Staff costs were lower primarily as a result of staff using up vacation accrual during 2020, partially offset by a staff bonus which did not accrue in the prior year.
6. Professional services increased in 2020 to €21,725 as compared to €15,504 in 2019 due to the cost of registering the Chamber as a branch in the Registro delle Imprese.
7. Other costs related to office operations (cleaning, energy, stationary and telecommunications) and declined as staff worked from home for much of the period from March through December.

Our liquidity remains good at €170,629 as compared to €189,988 in the prior year. The decrease is due to a significant degree due to the delay in collecting membership subscriptions which was not completed well into the first half of 2021. In fact, receivables for membership subscriptions at December 31, 2020 amounted to €32,241 as compared to €3,815 at December 31, 2019.

The year 2021 to date has confirmed the positive results of 2020. Our bank balance at the end of May amounted to €255,000 compared to €220,000 in the prior year. Revenues from membership subscriptions and event revenues are expected to be at least at the same level as 2020 while we will continue to contain costs. ELCS is expected to incur a deficit but this is expected to be amply covered by the surplus on our other activities.

Directors

The directors since the Chamber's AGM in 2020 were:

On behalf of the Council,

Tom Noad

Daniel Shillito

John J. Law

Victoria Rowlands

Paule Ansolgeaga Abascal

Cristiano Cominotto



The British Chamber of Commerce for Italy

Francesco Fantini

Roberto Franchini

Mariateresa Giussani

Ignacio Izquierdo

Bepi Pezzulli

Sharon Reilly

Steven Sprague

Tom Noad

Roberto Franchini

President

Treasurer

Milan, 14 June 2021