

**THE BRITISH CHAMBER OF COMMERCE FOR ITALY (INCORPORATED)**  
**Company number: 00137679**

**FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2024**

**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 2024**

		Euro	
	<u>Notes</u>	<u>2024</u>	<u>2023</u>
<b>INCOME</b>			
Subscriptions:			
- Members	4	244,415	250,165
- Foreign English Language Schools		-	7,050
Services	4	90,469	73,433
Other	4	21,297	-
<b>Total income</b>		<u>356,181</u>	<u>330,648</u>
<b>EXPENDITURE</b>			
Staff costs	5	152,988	189,036
Cost of services rendered	6	65,330	45,701
Professional services	7	22,037	21,998
Depreciation	11	19,238	38,589
Other	8	32,584	36,411
<b>Total expenditure</b>		<u>292,177</u>	<u>331,735</u>
<b>Operating deficit</b>		64,004	(1,087)
Financial income (expense), net	9	796	(1,976)
<b>Surplus (Deficit) before taxation</b>		<u>64,800</u>	<u>(3,063)</u>
Less: taxation	10	(5,865)	(5,365)
<b>Surplus (Deficit) for the year</b>		<u>58,935</u>	<u>(8,428)</u>
Accumulated fund at 1 January		<u>16,710</u>	<u>25,138</u>
<b>Accumulated fund at 31 December</b>		<u>75,645</u>	<u>16,710</u>

The notes 1 to 22 form part of these accounts

  
**Steven Sprague**  
**President**

  
**Roberto Franchini**  
**Treasurer**

## BALANCE SHEET AT 31 DECEMBER 2024

	<u>Notes</u>	<u>2024</u>	<u>Euro 2023</u>
<b><i>Non-current assets</i></b>			
Right-of-use asset	3, 4, 11	-	43,843
Office furniture and equipment	11	1,205	3,631
		<u>1,205</u>	<u>47,474</u>
<b><i>Current assets</i></b>			
Cash and cash equivalents	12	180,826	184,672
Receivables	13	34,838	33,903
		<u>215,664</u>	<u>218,575</u>
<b><i>Total assets</i></b>		<u>216,869</u>	<u>266,049</u>
<b><i>Current liabilities</i></b>			
Lease liability, current portion	3, 4	-	37,163
Payables	15	44,782	61,063
Deferred income, current portion	16	50,841	92,365
		<u>95,623</u>	<u>190,591</u>
<b><i>Non-current liabilities</i></b>			
Provision for employee leaving indemnity	17	45,601	58,748
		<u>45,601</u>	<u>58,748</u>
<b><i>Total liabilities</i></b>		<u>141,224</u>	<u>249,339</u>
<b><i>Net assets</i></b>		<u>75,645</u>	<u>16,710</u>
Represented by;			
<b>Accumulated fund</b>		<u>75,645</u>	<u>16,710</u>

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## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	Euro 2023
Surplus (deficit) for the year	58,935	(8,428)
Cash items arising from non-operating activities:		
- Financial (income) expense, net	(796)	1,976
Non-cash items:		
- Depreciation charge	19,238	38,590
- Charge for employee termination indemnity	6,682	10,455
- Other	(652)	-
Changes in working capital:		
- Decrease (increase) in receivables	(935)	(374)
- (Decrease) increase in payables	(16,281)	942
- (Decrease) in deferred income	(41,524)	(16,455)
Payment of employee termination indemnity	(19,829)	(16,244)
Net cash inflow from operating activities	<u>4,838</u>	<u>10,462</u>
Cash flow from financing:		
- Payment of lease obligations	(10,036)	(39,645)
- Other financial income, net	1,352	456
	<u>(8,684)</u>	<u>(39,189)</u>
<b>Net increase in cash</b>	<b>(3,846)</b>	<b>(28,727)</b>
Balance of cash at 1 January	184,672	213,399
<b>Balance of cash at 31 December</b>	<b><u>180,826</u></b>	<b><u>184,672</u></b>

The notes 1 to 22 form part of these accounts



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President



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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. The Chamber's primary place of business is in 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.

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

## 3. ACCOUNTING POLICIES

### Non-current assets

#### *Right-of-use assets*

In accordance with IFRS 16 "Leases", the Chamber identifies office space leased under a long-term contract as a right-of-use asset and depreciates such asset over the initial life of the lease agreement. The initial carrying value of such an asset is represented by the present value of the lease payments due under the agreement plus related upfront costs such as real estate agency 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. Increases in the lease payments that are contractually due to adjust for inflation are reflected in the carrying value of the asset and the lease liability in the periods that they arise.

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.

#### *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.

## **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and balances on current accounts, as well as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **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 recognised in the period to which they relate and if collected prior to the approval of the accounts for that year. 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.

## **Payables**

Payables are stated at nominal value, represent obligations with normal credit terms and do not bear interest.

## **Provision for employee leaving indemnity**

Under existing regulations and pursuant to labour contracts with its employees, the Chamber must pay a severance indemnity to all personnel on leaving employment based on the length of service and remuneration over the period of employment. As prescribed by Italian law, the amount of such leaving indemnity is revalued each year in line with the rate of inflation. The Directors believe that the carrying value of such provision does not materially differ from a valuation using actuarial methods, as required under IAS 19 *Employee Benefits*, as the effect of the discount rate that would be used in an actuarial valuation would be largely offset by the effect of the inflation adjustment.

## **Accounting estimates**

The preparation of the accounts requires the use of estimates and assumptions that affect the assets, liabilities, revenues and expenses recognised in the financial statements, as well as amounts included in the notes thereto, including disclosure of contingent assets and contingent liabilities. Estimates made are based on complex judgements and past experience of other assumptions deemed reasonable in consideration of the information available at the time. The accounting policies and areas that require the most significant judgements and estimates to be used in the preparation of the accounts are in relation to the accounting for receivables and

the allowance for doubtful receivables. Although the Chamber uses its best estimates and judgements, actual results could differ from the estimates and assumptions used.

#### 4. INCOME

##### *Members' subscriptions*

Members' subscriptions in 2024 amounted to €244,415 (2023 - €250,165). Members' subscriptions in 2023 include €12,350 relating to subscriptions collected in respect of prior years that had previously been written-off.

##### *Income from services*

	Euro	
	2024	2023
Events	90,469	72,574
Web Site services sponsorship	-	400
English Language Consultancy Service – advertising and bookings	-	459
	<b>90,469</b>	<b>73,433</b>

Income from events represents primarily sponsorship revenue in relation to such events.

Income from "English Language Consultancy Service – advertising and bookings" (ELCS) does not include subscriptions relating to the member schools, which are included under the income from subscriptions from "Foreign English Language Schools". The English Language Consultancy Service was closed in September 2023.

##### *Other income*

The Chamber rented its office premises in Via Sforza 4, Milan, under a six-year renewable lease expiring in March 2025. The lease was accounted for in accordance with IFRS 16. In January 2024, the Chamber received notice from the landlord of its intention to terminate the lease at the end of the six-year term. The landlord also indicated that it was interested in discussing an earlier termination in exchange for payment of a termination payment. Following a negotiation with the landlord, a termination fee was agreed of €20,000. Other income amounting to €20,484 represents the net gain on termination of the office lease as follows:

	Euro
Termination payment received from landlord	20,000
Write-off of net book value of Right-of-Use asset	(25,848)
Waiver of remaining lease liability	27,145
Net surplus on early termination of office lease	<b>21,297</b>

## 5. STAFF COSTS

	Euro	
	2024	2023
Salaries	85,569	136,087
Social security contributions	25,088	37,291
Accrual for leaving indemnity (note 17)	6,752	10,455
Other staff costs	35,579	5,203
	<b>152,988</b>	<b>189,036</b>
Average number of staff	4	4

Salaries decreased in 2024 due to the resignation of a staff member in late 2023. The functions of this staff member were assumed by consultants in 2024 whose costs are included in other staff costs.

## 6. COST OF SERVICES RENDERED

	Euro	
	2024	2023
English language services	-	11,460
Events	65,330	34,241
	<b>65,330</b>	<b>45,701</b>

The English Language Consulting Service was closed in September 2023.

## 7. PROFESSIONAL SERVICES

	Euro	
	2024	2023
Book-keeping services	10,455	10,376
Legal fees	2,656	1,354
Payroll services	1,649	2,241
Audit	4,101	2,000
Health and safety consultancy fees	1,964	4,902
Other	1,212	1,125
	<b>22,037</b>	<b>21,998</b>



## 8. OTHER EXPENSES

	Euro	
	2024	2023
Travel expenses	3,975	1,665
Office expenses	10,402	5,803
Condominium expenses	2,226	6,242
Energy	753	1,357
Office cleaning	2,109	4,343
IT expenses	6,173	6,607
Membership	1,324	890
Stationary and telecommunications	2,821	3,362
Increase (Decrease) in provision for doubtful accounts	-	2,120
Other expenses, net	2,801	4,022
	<b>32,584</b>	<b>36,411</b>

Condominium expenses, energy and office cleaning costs were lower in 2024 as they related to six months following the termination of the lease agreement for the offices in Via Sforza 4, Milan. Conversely, other office expenses were higher in 2024 due to removal and storage costs associated with the termination. Heating costs, which are included in condominium expenses, were also higher in 2023 due to the global increase in the price of gas in 2023.

## 9. FINANCIAL INCOME (EXPENSE)

	Euro	
	2024	2023
Interest expense on "Right-of-Use" obligations	(556)	(2,431)
Interest income	2,106	1,472
Bank guarantee charge	(487)	(834)
Other	(267)	(182)
	<b>796</b>	<b>(1,975)</b>

## 10. TAXATION

The Chamber is exempt from IRES income tax on the contributions made by members by way of annual subscriptions but must pay IRES income tax on income arising from activities of a commercial nature.

The Chamber is subject also to IRAP tax. As the Chamber qualifies as a not-for-profit organization, IRAP is computed using gross salaries as the tax basis.

In 2024, taxation expense amounted to €5,865 and comprised IRAP for €4,830 and €1,035 for IRES.

There are no significant differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences) that would warrant the recognition of deferred tax assets or liabilities.

Value Added Tax can be recovered on costs relating to commercial activities.

## 11. NON-CURRENT ASSETS

### *Right-of-Use Asset*

In accordance with IFRS 16, the Chamber identified the lease of its offices in Via Sforza 4, Milan, as a right-of-use asset and depreciated such asset over the initial life of the lease agreement of six years.

	Euro
Cost 1 January 2024	202,952
Termination of lease at June 30, 2024	(202,952)
Cost 31 December 2024	-
Accumulated depreciation 1 January 2024	159,109
Charge for the year	17,995
Termination of lease at June 30, 2024	(177,104)
Accumulated depreciation 31 December 2024	-
<b>Net book value 31 December 2024</b>	<b>-</b>
Net book value 31 December 2023	43,843

The net book value of the Right-of-Use Asset on termination amounted to €25,848 (€202,952 less €177,104). The write-off of this amount is included in the computation of the net gain on termination (see Note 4 – Other Income).

### *Office furniture and equipment*

	Euro
Cost 1 January 2024	49,929
Additions	-
Write-off of assets	(40,146)
Other	(100)
Cost 31 December 2024	9,683
Accumulated depreciation 1 January 2024	46,297
Charge for the year	1,242

Decrease for write-offs	(39,061)
Accumulated depreciation 31 December 2024	<u>8,478</u>

<b>Net book value 31 December 2024</b>	<b><u>1,205</u></b>
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Net book value 31 December 2023	<u>3,632</u>
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Following the vacating of the Chamber's offices in Via Sforza 4, Milan, and the relocation to the new premises in Via Orseolo, in January 2025, a physical inventory was taken of the assets (primarily office furniture and computers). As a result of this physical inventory a large portion of the recorded assets were found to be no longer in use and, accordingly, were written-down to zero. The net book value of these assets written-off amounted to €1,085.

## 12. CASH AND CASH EQUIVALENTS

	Euro	
	2024	2023
Cash at bank	74,878	84,031
PayPal account	5,442	-
Fixed term deposit	100,274	100,408
Cash in hand	232	232
	<b><u>180,826</u></b>	<b><u>184,671</u></b>

Cash at bank represents bank deposits held with two primary financial institutions. The fixed term deposit is a deposit of excess liquidity with one of these institutions and has a duration of six months. The deposit is readily convertible into available funds at any time during the six months at the cost of waiver of accrued interest.

## 13. RECEIVABLES

	Euro	
	2024	2023
Receivables for membership subscriptions	19,500	10,950
Receivables for services	12,386	14,728
Other receivables	840	2,593
VAT receivable	-	3,411
Prepayments and accrued income	2,112	2,221
	<b><u>34,838</u></b>	<b><u>33,903</u></b>

Amounts not collected or not certain of collection at the date of approval by the Council are written-off.

Receivables for services relate mainly to billings for sponsorship of events that took place in the last few months of each year. This amount may fluctuate from year to year depending on the nature of the events held in the last few months of the year.

#### 14. OTHER LEASES

The total lease payments charged as an expense in the statement of income and expenditure amounted to €2,041 (2023 - €2,537) and comprised the lease payments on low value assets. The lease agreement on these right-of-use assets of low value relates to a multi-functional printer/copier machine is non-cancellable and expires in 2028.

#### 15. PAYABLES

	Euro	
	2024	2023
Trade payables	13,981	30,246
Payroll taxes and social security	7,640	7,212
Tax liability	927	176
Accrued payroll	16,095	18,634
Advances from members and sponsors	863	4,070
VAT payable	-	-
Other accrued expenses	5,276	725
	<b>44,782</b>	<b>61,063</b>

Trade payables relate primarily to services in connection with events. This amount may fluctuate from year to year depending on the nature of the events held in the last few months of the year

#### 16. DEFERRED INCOME

	Euro	
	2024	2023
Members' subscriptions	40,591	73,137
Deferred sponsorship income	10,250	19,228
	<b>50,841</b>	<b>92,365</b>

Deferred members' subscriptions relate to memberships covering future periods. At December 31, 2024, the amount relates exclusively to the portion of the July-to-June membership cycle relating to the period January to June 2025. At December 31, 2023, the balance also related to members' subscriptions relating to calendar year 2025 paid in December 2024.

Deferred sponsorship income relates to revenue received in the year for events to be held in subsequent periods.

## 17. PROVISION FOR EMPLOYEE LEAVING INDEMNITY

The movement in the provision for employee leaving indemnity for the year 2024 is as follows:

	Euro
1 January 2024	58,748
Charge for the year	6,682
Payments	(19,829)
<b>31 December 2024</b>	<b>45,601</b>

Payments of employee leaving indemnity relate to an employee who resigned in late 2023.

## 18. EMOLUMENTS OF THE DIRECTORS

In 2024 and 2023 the directors did not receive any emoluments.

## 19. CAPITAL COMMITMENTS

The Chamber had no significant capital commitments at 31 December 2024.

## 20. AUDITORS' REMUNERATION

During the year fees amounting to €3,950 (including non-deductible VAT) were incurred for services provided by the auditors.

## 21. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

### *Office rental*

On January 17, 2025, the Chamber entered into an agreement to lease office space in Via Orseolo 3, Milan. The lease has a duration of six years commencing February 1, 2025, and is renewable for a further six years at the option of the Chamber. The annual rental is €20,000 plus VAT. In the first year the rental is discounted to €14,000 plus VAT. The lease may be terminated at any time by the lessee with 12 months' notice and on condition of reimbursement of the first-year discount of €6,000.

The lease will be accounted for in accordance with IFRS 16.

## 22. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council and authorised for issue on 28 May 2025.