

Registered number: 05159791

**BLACK COUNTRY CONSORTIUM LIMITED**

(A company limited by guarantee)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2012**

TUESDAY



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**BLACK COUNTRY CONSORTIUM LIMITED**  
(A company limited by guarantee)

**COMPANY INFORMATION**

<b>Directors</b>	Cllr M Bird Mr P Brown Cllr D Cooper Mr S Eastwood Mr T Hair Dr C Handy OBE Mr N Johal Cllr R Lawrence Mr P Matthews CMG Mr S Towe CBE Ms V Wilkes Cllr D Sparkes
<b>Company secretary</b>	J Polychronakis
<b>Company number</b>	05159791
<b>Registered office</b>	The Deckhouse Waterfront West Brierley Hill West Midlands DY5 1LW
<b>Auditor</b>	PKF (UK) LLP 45 Great Charles Street Queensway Birmingham B3 2LX

**BLACK COUNTRY CONSORTIUM LIMITED**  
**(A company limited by guarantee)**

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**BLACK COUNTRY CONSORTIUM LIMITED**  
**(A company limited by guarantee)**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2012**

The directors present their report and the financial statements for the year ended 31 March 2012

**Principal activities and business review**

The principal aim of the company is to champion the urban renaissance aspirations of the Black Country region, comprising the City of Wolverhampton and the boroughs of Walsall, Sandwell and Dudley. It will hold stakeholders to account on the implementation of the integrated economic and spatial strategy – the Black Country Strategy for Growth and Competitiveness and looks to monitor progress towards outcomes on economic competitiveness, reversal of population migration and the socio-economic mix of the population as set out in the 30 Year Vision.

The company's operations are structured around 4 prime roles - capacity to support partners on strategic matters, enabling economic change, providing data and intelligence on economic issues and acting as an advocate for the Black Country. This support is provided to the overarching strategic partnership – Black Country Consortium and other key groupings including the Local Enterprise Partnership for the Black Country. Fully integrated and aligned to these four primary roles is the County Sports Partnership (recognised by Government and Sport England as "fit for purpose"), which is responsible for strategic planning and co-ordination and connecting national priorities (such as the London 2012 legacy) to local priorities.

The company also manages the European Social funded Community Grants Programme which results in grant support to voluntary and community organizations focused on supporting individuals back to the job market. It also manages Government, Lottery and 2012 Legacy Trust funded Sports and Physical Activity contracts resulting in grant support to organisations focused on strategic networking and influence, supporting volunteering, facility development and sporting and health improvements, including developing the sport and physical activity workforce.

**Future Developments**

The company continues to change as we are asked to respond quickly and effectively to a rapidly changing national and local political environment. Our activities have been aligned in part to the newly created Local Enterprise Partnership with its 6 priorities clustered under the three pillars of the Black Country Strategy, Infrastructure Development (Planning, Transport), Competiveness (Business Advice & Support, International Trade, Access to Finance) and Education & Skills. These along with a focus on communication and perceptions have created the framework for many company activities.

Looking to the future, resources are likely to continue to tighten and our annual business review will need to balance priorities for support with available resources.

While meeting the challenging economic times, Black Country Consortium Limited remains committed to implementing its 2012/2013 Business Plan, supporting the Local Enterprise Partnership and steering the Black Country BeActive Partnership and responding flexibly to the needs of local partners.

**BLACK COUNTRY CONSORTIUM LIMITED**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**Directors**

The directors who served during the year and subsequent changes were

Cllr M Bird  
Mr P Brown (appointed 8 May 2012)  
Cllr D Cooper (appointed 29 November 2011)  
Mr J Crockett (resigned 30 September 2011)  
Mr I Darch (resigned 30 March 2012)  
Mr S Eastwood (appointed 1 May 2012)  
Prof C Gipps (resigned 29 July 2011)  
Mr D Grove (resigned 30 March 2012)  
Mr T Hair (appointed 1 April 2011)  
Mr S Hake (resigned 30 March 2012)  
Dr C Handy (appointed 1 May 2012)  
Mr N Johal (appointed 1 May 2012)  
Cllr L Jones (appointed 19 May 2011, resigned 16 May 2012)  
Cllr R Lawrence (appointed 29 November 2011)  
Mr P Matthews CMG  
Mr J McDonough CBE (appointed 1 April 2011, resigned 30 March 2012)  
Cllr A Millward (resigned 6 May 2011)  
Mr H Rashid (resigned 30 March 2012)  
Cllr D Sparks (appointed 17 May 2012)  
Ms S Spence (resigned 29 April 2011)  
Mr S Towe CBE (appointed 1 April 2011) — *Change Green business*  
Ms V Wilkes (appointed 1 May 2012)  
Mr J Wouhra (appointed 30 August 2011, resigned 16 May 2012)  
Ms K Yeomans (resigned 20 June 2011)

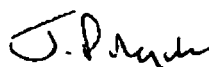
**Provision of information to the auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on *31st October 2012* and signed on its behalf



**J Polychronakis**  
Secretary

**BLACK COUNTRY CONSORTIUM LIMITED**  
**(A company limited by guarantee)**

**DIRECTORS' RESPONSIBILITIES STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2012**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy at any time the financial position of the company and 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**BLACK COUNTRY CONSORTIUM LIMITED**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACK COUNTRY CONSORTIUM LIMITED**

We have audited the financial statements of Black Country Consortium Limited for the year ended 31 March 2012 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to smaller entities)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditor**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**BLACK COUNTRY CONSORTIUM LIMITED**  
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACK COUNTRY CONSORTIUM LIMITED**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report

*PKFCUK LLP*

Tobias Stephenson (Senior statutory auditor)  
for and behalf of PKF (UK) LLP, Statutory auditor  
Birmingham, UK

*19 November 2012*



**BLACK COUNTRY CONSORTIUM LIMITED**  
(A company limited by guarantee)

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	2012 £	2011 £
<b>TURNOVER</b>	1	<b>1,863,701</b>	1,916,932
Cost of sales		<u>(501,190)</u>	<u>(633,839)</u>
<b>GROSS SURPLUS</b>		<b>1,362,511</b>	1,283,093
Administrative expenses		<b>(1,410,890)</b>	(1,250,497)
Exceptional administrative income		-	311,000
Total administrative expenses		<u>(1,410,890)</u>	<u>(939,497)</u>
<b>OPERATING (LOSS)/SURPLUS</b>	2	<b>(48,379)</b>	343,596
Interest receivable and similar items		<b>15,355</b>	9,079
Other finance income		<b>26,000</b>	(51,000)
<b>(LOSS)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(7,024)</b>	301,675
Tax on (loss)/profit on ordinary activities	3	-	1,000
<b>(LOSS)/SURPLUS FOR THE FINANCIAL YEAR</b>	8	<b>(7,024)</b>	302,675

The notes on pages 9 to 13 form part of these financial statements

**BLACK COUNTRY CONSORTIUM LIMITED**  
**(A company limited by guarantee)**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 MARCH 2012**

	Note	2012 £	2011 £
<b>(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR</b>		<b>(7,024)</b>	302,675
Actuarial (loss)/gain related to pension scheme	9	<u>(290,000)</u>	<u>913,000</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>		<b><u>(297,024)</u></b>	<b><u>1,215,675</u></b>

The notes on pages 9 to 13 form part of these financial statements

**BLACK COUNTRY CONSORTIUM LIMITED**


(A company limited by guarantee)  
REGISTERED NUMBER 05159791

**BALANCE SHEET  
AS AT 31 MARCH 2012**

	Note	£	2012 £	£	2011 £
<b>FIXED ASSETS</b>					
Tangible assets	4		54,529		85,667
<b>CURRENT ASSETS</b>					
Debtors	5	140,924		90,638	
Cash at bank and in hand		1,289,420		1,275,570	
		<u>1,430,344</u>		<u>1,366,208</u>	
<b>CREDITORS</b> amounts falling due within one year	6		<u>(861,117)</u>		<u>(836,095)</u>
<b>NET CURRENT ASSETS</b>			<u>569,227</u>		<u>530,113</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITY</b>			<u>623,756</u>		<u>615,780</u>
Defined benefit pensions scheme liability	9		748,000		443,000
<b>CAPITAL AND RESERVES</b>					
Income and expenditure account	8		<u>(124,244)</u>		<u>172,780</u>
			<u>623,756</u>		<u>615,780</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



31 October 2012

**Cllr R Lawrence**  
Director

The notes on pages 9 to 13 form part of these financial statements

**BLACK COUNTRY CONSORTIUM LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**1 ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The company is dependent upon continued funding from its guarantee members. The company's guarantee members have indicated to the directors that it is their intention to provide funding which may be required to allow the company to continue its planned activities. On the basis of the above the directors have formed a judgement that it is appropriate to prepare the financial statements on the going concern basis.

**1.2 Income**

Income comprises grants and other income receivable from public sector bodies. Income is recognised as and when the services for which it has been received have been performed, otherwise it is included in deferred income.

**1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings	-	6 to 8 years straight line
Computer equipment	-	6 to 8 years straight line

**1.4 Operating leases**

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.5 Pensions**

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2010. Any increase in the present value of the liabilities of the scheme expected to arise from the current or past service of employees in the year is charged in the income and expenditure account. The expected return on the scheme's assets and the expected increase during the year in the present value of the scheme's liabilities are included as interest payable or receivable in the income and expenditure account. Actuarial gains and losses are recognised in the statement of total recognised gains and losses. Pension scheme assets, to the extent they are considered recoverable, and pension scheme liabilities, are recognised in the balance sheet and represent the difference between the fair value of scheme assets and the present value of scheme liabilities, net of deferred taxation. Pension scheme liabilities are determined on an actuarial basis using the projected unit method and are discounted at a rate using the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

**BLACK COUNTRY CONSORTIUM LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2012**

**2. OPERATING (LOSS)/SURPLUS**

The operating (loss)/surplus is stated after charging/(crediting)

	2012	2011
	£	£
Depreciation of tangible fixed assets - owned by the company	<b>31,138</b>	31,403
Auditors' remuneration	<b>10,000</b>	10,500
Pension costs	<b>111,023</b>	128,000
Exceptional item	-	(311,000)
	<b>152,161</b>	<b>169,903</b>

During the year, no director received any emoluments (2011 - £NIL)

Exceptional income in 2011 related to a change in actuarial assumptions which had the effect of reducing the scheme's past service costs by £388,000 less £77,000 pension costs in respect of early retirements

**3. TAXATION**

	2012	2011
	£	£
UK corporation tax (credit)/charge on (deficit)/surplus for the year	-	(1,000)
	-	(1,000)

**Factors affecting tax charge for the year**

The company is classified as a mutual company for tax purposes and is not taxed on its trading income

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges

**4. TANGIBLE FIXED ASSETS**

	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost</b>			
At 1 April 2011 and 31 March 2012	<b>118,145</b>	<b>90,948</b>	<b>209,093</b>
<b>Depreciation</b>			
At 1 April 2011	<b>76,861</b>	<b>46,565</b>	<b>123,426</b>
Charge for the year	<b>24,115</b>	<b>7,023</b>	<b>31,138</b>
At 31 March 2012	<b>100,976</b>	<b>53,588</b>	<b>154,564</b>
<b>Net book value</b>			
At 31 March 2012	<b>17,169</b>	<b>37,360</b>	<b>54,529</b>
At 31 March 2011	<b>41,284</b>	<b>44,383</b>	<b>85,667</b>

**BLACK COUNTRY CONSORTIUM LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2012**

**5. DEBTORS**

	2012	2011
	£	£
Grants and other income receivable	38,971	41,634
Other debtors	101,953	49,004
	140,924	90,638

**6 CREDITORS:  
Amounts falling due within one year**

	2012	2011
	£	£
Trade creditors	49,666	76,901
Social security and other taxes	20,384	22,299
Other creditors	791,067	736,895
	861,117	836,095

**7 COMPANY STATUS**

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

**8 RESERVES**

	Income and expenditure account £
At 1 April 2011	172,780
Deficit for the year	(7,024)
Pension reserve movement	(290,000)
	(124,244)
At 31 March 2012	

The closing balance on the profit and loss account includes a £748,000 (2011 - £443,000) debit, stated after deferred taxation of £NIL (2011 - £NIL), in respect of pension scheme liabilities of the company pension scheme.

**BLACK COUNTRY CONSORTIUM LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**9 PENSION COMMITMENTS**

The company operates a defined benefit pension scheme, which is funded

The pension cost and provision for the year ending 31 March 2012 are based on the advice of a professionally qualified actuary. The most recent formal valuation is dated 31 March 2010. The results of this valuation were updated to 31 March 2010.

The contribution made for the year ended 31 March 2012 was £70,000. The agreed contribution rate for future years is 9.7%.

The assets and liabilities in the scheme were

	Value at 31 March 2012 £	Value at 31 March 2011 £
Fair value of scheme assets	3,990,000	4,030,000
Present value of scheme liabilities	(4,738,000)	(4,473,000)
Deficit in the scheme	<u>(748,000)</u>	<u>(443,000)</u>
Net pension liability	<u><u>(748,000)</u></u>	<u><u>(443,000)</u></u>

A deferred tax asset is not recognised because the company is classified as a mutual company for tax purposes and is not taxed on its trading income.

	2012 £	2011 £
<b>Movements in deficit during the year</b>		
Deficit in scheme at beginning of year	(443,000)	(1,641,000)
Current year service cost	(111,000)	(128,000)
Contributions	70,000	155,000
Actuarial (loss)/gain	(290,000)	913,000
Past service cost	-	(79,000)
Other finance income	26,000	(51,000)
Past service credit	-	388,000
Deficit in scheme at end of year	<u><u>(748,000)</u></u>	<u><u>(443,000)</u></u>

**10 OPERATING LEASE COMMITMENTS**

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2012 £	2011 £
<b>Expiry date</b>		
Within 1 year	119,500	-
Between 2 and 5 years	-	119,500
	<u><u>119,500</u></u>	<u><u>119,500</u></u>

**BLACK COUNTRY CONSORTIUM LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2012**

**11. CONTINGENT LIABILITIES**

As part of its normal commercial activity, the company has undertaken activities on behalf of partner organisations covering the delivery of specific projects. These projects have been funded by grants received by those partners from the European Regional Development Fund, European Social Fund and The Department for Business Innovation & Skills through the now ceased Advantage West Midlands.

The terms of those grants provide for part or all of the grants to be repaid if the projects were deemed not to have been completed in accordance with the grant terms following inspection by UK and European auditors. European Commission regulations require all documentary evidence relating to projects be kept available for inspection by its auditors through to at least 31 December 2014.

The directors are of the opinion that the likelihood of repaying any monies received relating to these projects is remote and no provision for potential liabilities has been made other than in specific cases where potential liabilities are known.