

FINANCIAL STATEMENTS

**The British Chamber of Commerce in Belgium**

For the period from 1<sup>st</sup> January, 2015 - 31<sup>st</sup> December, 2015

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## 1 Report of the Council for the year ended 31 December 2015

The BCCB was founded in 1898 and incorporated in 1910. The Council presents its report together with the accounts for the year ended December 31, 2015.

### *Registered number and office*

The Chamber is registered in England under number 110574. Its registered office is located at c/o COBCOE, Sceptre Court, 40 Tower Hill, London EC3N 4DX, England. The Belgian office has since 2010 been located in new premises at Boulevard Bischoffsheim 11, 1000 Brussels. The internal accommodation of the Brussels office allows the Chamber to hold many events internally, with consequent savings in external costs.

### *Principal activities and business review*

The principal activities of the BCCB continue to be the promotion of business between the United Kingdom and Belgium and the maintenance of a dialogue with the EU institutions. Details of the BCCB's activities and prospects are contained in the President's Statement which will be presented at the Annual General Meeting.

### *Council Members*

On 27 March 2015 Thomas Spiller was appointed President and Inge Boets as Vice-President, both approved by the Council. The following Council Members of the Chamber were appointed at the Annual General Meeting held on 30 May 2015 for a period of two years, terminating at the Annual General Meeting in 2017:

|                                      |  |
|--------------------------------------|--|
| Agathe Legris                        | Inge Boets - Vice President            |
| Beverley Robinson                    | Jill Craig                             |
| Bill Batchelor                       | Martin Van Wunnik - Honorary Treasurer |
| Catherine Stewart                    | Max von Olenhusen                      |
| Craig Burchell                       | Philippe Jadoul                        |
| Dave Deruytter                       | Richard Carty                          |
| Ed Read Cutting                      | Richard Corliss                        |
| Elaine Cruikshanks                   | Sean Murray                            |
| Filip Corveleyn - Honorary Secretary | Tom Parker - Vice President            |
| Glynis Whiting                       | Thomas Spiller - President             |

The Honorary Presidents, who are appointed for an indefinite period, are:

|                              |                   |
|------------------------------|-------------------|
| Count George Jacobs de Hagen | Baron Paul Buysse |
| Lode Willems                 |                   |

No Council Member received any remuneration during the year in connection with their responsibilities as Council Members.

***Other significant information***

The association is subject to VAT. The VAT registration number is BE 0455.006.907.

## 2 Balance sheet and profit and loss accounts

The BCCB balance sheet reveals an equity of 65.075,12 EUR. The total assets amount to 801.214,06 EUR.

These figures relate to the period from 1 January 2015 to 31 December 2015. The deficit for the financial year amounts to 50.779,38 EUR.

The final financial results for 2015 were presented at the Council meeting on 25 May 2016 and approved. There have been no changes to the results since then.

### 2.1 Balance sheet at 31 December 2015

|   | 2015<br>EURO   | 2014<br>EURO   |
|---|----------------|----------------|
| <b>FIXED ASSETS</b>                     | <b>76.341</b>  | <b>47.295</b>  |
| <b>CURRENT ASSETS</b>                   |                |                |
| Trade debtors                           | 328.060        | 390.882        |
| Other amounts receivable                | 0              | 0              |
| Bank balances and cash                  | 339.922        | 265.170        |
| Deferred charges and accrued income     | 56.891         | 36.090         |
| <b>TOTAL CURRENT ASSETS</b>             | <b>724.873</b> | <b>692.142</b> |
| <b>TOTAL ASSETS</b>                     | <b>801.214</b> | <b>739.437</b> |
| <b>ACCUMULATED FUNDS</b>                |                |                |
| Opening balance                         | 115.855        | 124.411        |
| Surplus/Deficit for the year            | -50.779        | -8.557         |
| <b>TOTAL FUNDS</b>                      | <b>65.076</b>  | <b>115.855</b> |
| <b>CURRENT LIABILITIES</b>              |                |                |
| Trade debts                             | 29.651         | 7.248          |
| Taxes, remuneration and social security | 89.910         | 76.392         |
| Accrued charges and deferred income     | 616.577        | 539.942        |
| <b>TOTAL CURRENT LIABILITIES</b>        | <b>736.138</b> | <b>623.582</b> |
| <b>TOTAL LIABILITIES</b>                | <b>801.214</b> | <b>739.437</b> |

2.2 Statement of Income and Expenditure for the year ended 31 December 2015

|                                     | 2015<br>EURO    | 2014<br>EURO    |
|-------------------------------------|-----------------|-----------------|
| <b>OPERATING RESULT</b>             |                 |                 |
| Members' subscriptions              | 666.179         | 643.659         |
| Result from events                  | 163.411         | 160.431         |
| Other income                        | 11.057          | -35.011         |
| Provision for uncollectables        | 0               | 0               |
| <b>TOTAL OPERATING RESULT</b>       | <b>840.647</b>  | <b>769.079</b>  |
| <b>OPERATING CHARGES</b>            |                 |                 |
| Services and other goods            | -362.264        | -402.959        |
| Personnel costs                     | -421.031        | -315.911        |
| Depreciation/Bad debt reversal      | -31.596         | -40.329         |
| Other operating expenses            | -19.943         | -16.462         |
| Financial income/expenses           | 4.017           | -1.975          |
| <b>TOTAL OPERATING CHARGES</b>      | <b>-830.817</b> | <b>-777.636</b> |
| <b>OTHER INCOME/COSTS</b>           |                 |                 |
| Cancellation of events/memberships  | 0               | 0               |
| Extraordinary costs                 | -60.609         | 0               |
| <b>TOTAL OTHER INCOME/COSTS</b>     | <b>-60.609</b>  | <b>0</b>        |
| <b>SURPLUS/DEFICIT FOR THE YEAR</b> | <b>-50.779</b>  | <b>-8.557</b>   |

### Confirmation of Audit exemption

BDO confirms that the British Chamber of Commerce in Belgium (hereafter referred to as "BCCB") is a non-profit institution founded abroad in valid manner in accordance with the laws of England, and that has opened a centre of operations in Belgium.

The BCCB does not have to appoint a statutory auditor in Belgium as, at the close of the financial year, due to the fact that its Belgian centre of operations has an average of less than 100 employees over the year, expressed in full-time equivalents, and does not exceed more than one of the following three thresholds:

- annual average of workforce (in full-time equivalents): 50
- total annual income, other than exceptional income (excl. VAT): 7.300.000 EUR
- balance sheet total: 3.650.000 EUR

However, following art. 55 of the bylaws of the BCCB the financial statements should be reviewed at least once a year by one or more either registered external accountants or registered external auditors. The BCCB has opted to appoint BDO Accountants to provide general accounting assistance and coordinate the preparation of the financial statements.

For the year ended December 31<sup>st</sup> 2015 the company was entitled to exemption under section 477 of the Companies Act 2006. Members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 478. The director's acknowledge their responsibility for:

- i. Ensuring the company keeps accounting records which comply with section 386; and
- ii. Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and its of its profit and loss for the financial year in accordance with section 394, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

### 3 Notes to the financial statements

#### 3.1 Summary of significant accounting policies

The accounts are prepared according to the Belgian accounting principles, based on the EC Directive, and laid down in the law of July 17, 1975, the Royal Decree of 30 January 2001 and subsequent Royal Decrees.

##### ***Fixed assets***

Fixed assets are valued at acquisition cost and recorded in the balance sheet at that amount, after deduction of the relative depreciation and amounts written down.

Depreciation is calculated on the basis of cost using the straight line method over the estimated useful lives of the assets.

##### ***Receivables***

Receivables are stated at the nominal value less depreciation for projected losses on the basis of an individual assessment.

Receivables in foreign currency are translated at the exchange rate applying at closing date of the accounts.

##### ***Amounts payable***

Accounts payable are stated at the nominal value less depreciation for projected losses on the basis of an individual assessment.

Amounts payable in foreign currency are translated at the exchange rate applying at closing date of the accounts.

##### ***Revenue recognition***

According to article 33, Royal Decree of 30 January 2001, income should be accounted for irrespective of the date when it is received.

The BCCB considers revenue realized or realizable and earned when it has persuasive evidence of an arrangement, the services have been provided to the client, the sales price is fixed or determinable and collectability is reasonably assured.



### 3.2 Mandate and work procedures

A Statutory Auditor member of the I.R.E. is not appointed as the threshold provided by law is not exceeded.

An association not exceeding more than one of the following criteria do not have to appoint a statutory auditor:

- annual average of workforce (in full-time equivalents): 50
- total annual income, other than exceptional income (excl. VAT): 7.300.000 EUR
- balance sheet total: 3.650.000 EUR

Associations with an annual average of workers exceeding 100 should always appoint a statutory auditor.

However, following art. 55 of the bylaws of the BCCB the financial statements should be reviewed at least once a year by one or more either registered external accountants or registered external auditors. The BCCB has chosen to appoint BDO Accountants to provide general accounting assistance and coordinate the preparation of the financial statements. They liaise closely with both the Executive Director and the Honorary Treasurer.

The enclosed financial report has been produced on the basis of the elements provided by the BCCB to BDO Accountants Burg. Ven. CVBA. We have reviewed all assets and liability accounts when important for the preparation of this report.

This means that this report does not include an audit in accordance with the generally accepted auditing standards, enforced by the Institut des Reviseurs d'Entreprises (registered external auditors). Accordingly, we are not able to express a legal audit opinion on these financial statements.

### 3.3 Annual Accounts

Non-profit institutions founded abroad in a valid manner in accordance with the laws of the State to which they belong, and which open one or more centers of operations in Belgium (hereafter referred to as a “foreign NPI”) are also subject to certain publication obligations in Belgium with regard to their annual accounts. These obligations vary depending on whether the foreign NPI in question can be regarded as large or very large, or small.

Foreign NPIs with one or more centers of operations in Belgium and which can be regarded as large or very large must publish their annual accounts by filing them with the National Bank of Belgium. This rule must always be applied, even if its national legal system does not require the NPI in question to draw up or publish its annual accounts in its country of origin.

For the purposes of this legal requirement a foreign NPI:

- is regarded as very large if, at the close of the financial year, all of its Belgian centers of operations have an average of more 100 employees over the year, expressed in full-time equivalents, or exceeds two or more than of the following three thresholds:
  - annual average of workforce (in full-time equivalents): 50
  - total annual income, other than exceptional income (excl. VAT): 7.300.000 EUR
  - balance sheet total: 3.650.000 EUR
- is regarded as large if, at the close of the financial year, all of its Belgian centers of operations combined reach at least two of the following three thresholds:
  - annual average of workforce (in full-time equivalents): 5
  - total annual income, other than exceptional income (excl. VAT): 312.500 EUR
  - balance sheet total: 1.249.500 EUR

As the BCCB passes two of the above criteria for being a large NPI, it has to publish its annual accounts with the National Bank of Belgium.

### 3.4 Analyses

#### 3.4.1 Assets & Liabilities

Fixed assets (22-28) 76.340,96 EUR

##### **Tangible assets**

The net amount of the tangible assets amounts to 76.340,97 EUR. The amount can be split as follows:

|  |               |
|--|---------------|
| - Computer equipment                               | 8.289,72 EUR  |
| - Computer software                                | 14.429,16 EUR |
| - Office equipment                                 | 19.090,96 EUR |
| - Renovation and construction work - Rented office | 34.531,12 EUR |

Depreciation has been calculated according to Belgian accounting standards and general practice, in other words:

|                      |         |
|----------------------|---------|
| - Computer equipment | 20,00 % |
| - Computer software  | 33,33 % |
| - Office equipment   | 20,00 % |
| - Other              | 12,50 % |

We recorded depreciation for the year 2015 for an amount of 33.391,43 EUR.

##### **Trade debtors**

The outstanding trade debtors amount to 328.059,67 EUR and can be split as follow:

|                            |                |
|----------------------------|----------------|
| - Current receivables      | 327.303,08 EUR |
| - Invoices to establish    | 0,00 EUR       |
| - Credit notes to received | 756,59 EUR     |
| - Probable bad debts       | 0,00 EUR       |

With the approval of BCCB the provision for the bad debts has been cancelled due to the unlikely collection of the outstanding receivables.

Our audit scope did not involve a check on every customer's account transaction or correspondence with the customer's to prove year end bank balances.

Cash at bank (55) 339.922,08 EUR

Is composed of:

|                             |                |
|-----------------------------|----------------|
| - Current account ING (EUR) | 193.787,06 EUR |
| - Saving-account ING (EUR)  | 140.000,09 EUR |
| - ING (GBP)                 | 5.654,56 EUR   |
| - ING - Bonus               | 4,93 EUR       |
| - Petty Cash (EUR)          | 475,44 EUR     |
| - Internal transfer (EUR)   | 0,00 EUR       |

Our audit scope did not involve a check on every bank account transaction or correspondence with the banks to prove year end bank balances. However, the bank balances agree with the final bank statements.

Deferred charges and accrued income (49) 56.891,35 EUR

Consists of:

|  |               |
|--|---------------|
| - Prepaid expenses (Rent, subscriptions, insurances,...) | 32.891,35 EUR |
| - Accrued income (Events and sponsoring)                 | 24.000,00 EUR |

Trade debts (44) 26.576,00 EUR

Consists of:

|                       |               |
|-----------------------|---------------|
| - Suppliers           | 22.742,33 EUR |
| - Invoices to receive | 3.833,67 EUR  |

Our audit scope did not involve a check on every supplier's account transaction or correspondence with the supplier's to prove year end bank balances.

Taxes, remunerations and social security (45) 89.910,38 EUR

Consists of:

|                           |               |
|---------------------------|---------------|
| - VAT payable             | 30.991,64 EUR |
| - Social security payable | 260,89 EUR    |
| - Net salaries payable    | 805,18 EUR    |
| - Bonus accrual           | 23.890,85 EUR |
| - Holiday pay accrual     | 33.961,82 EUR |

### **Bonus accrual**

The total bonus for 2015 for the 9 employees and the managing director has been calculated to an amount of 23.890,85 EUR. The bonus accrual includes also the employer's social security cost.

### **Holiday Pay**

The holiday pay accrual amounting to 33.961,82 EUR has been calculated on an individual basis based on the agreed percentage confirmed by the authorities (18,80 %) on the gross salaries of 2015.

***Accrued charges and deferred income (49)*** ***616.577,56 EUR***

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### **Accrued charges**

An amount of 18.079,71 EUR for the following costs has been accrued:

|                                   |              |
|-----------------------------------|--------------|
| - Bookkeeping and accounting fees | 3.510,00 EUR |
| - FH London visit                 | 8.700,00 EUR |
| - Mary Clean                      | 785,15 EUR   |
| - MC statement                    | 2.289,07 EUR |
| - La Britannique                  | 1.545,49 EUR |
| - Cancellation Membership         | 1.250,00 EUR |

### **Deferred income**

The deferred income is composed of advance billings of the 2016 membership fees and the advance billing of sponsoring income for 2016 events. The total deferred income amounts to 598.497,85 EUR and can be split as follows:

|                                      |                |
|--------------------------------------|----------------|
| - Patron memberships                 | 119.912,10 EUR |
| - Corporate full memberships         | 316.809,36 EUR |
| - Corporate regular memberships      | 39.627,87 EUR  |
| - Small business full memberships    | 59.040,70 EUR  |
| - Small business regular memberships | 25.222,42 EUR  |
| - Basic memberships                  | 7.894,24 EUR   |
| - Revenues already received          | 29.991,16 EUR  |

### 3.4.2 Profit & Loss accounts

Gross Margin (Operating Result 70-60) 840.646,85 EUR

The gross margin consists of the 2015 subscriptions, the result of events organized for the members and other income.

The total income of 666.178,58 EUR relates to the membership subscriptions.

The British Chamber organized in 2015 several events for different committees, the result amounting to 163.411,15 EUR is realized as follows:

|                              |                 |
|------------------------------|-----------------|
| - Income events              | 107.128,56 EUR  |
| - Sponsoring                 | 291.812,77 EUR  |
| - Expenses events            | -208.323,68 EUR |
| - Expenses ambassadors' gala | -27.206,50 EUR  |

The total other income of 11.057,12 euro consists in:

|                        |                |
|------------------------|----------------|
| - Business services    | 12.554,12 EUR  |
| - Income directory     | 9.500,00 EUR   |
| - Income other         | 695,00 EUR     |
| - Expenses advertising | -440,00 EUR    |
| - Expenses other       | -11.252,00 EUR |

Services and other goods (61) -362.264,01 EUR

Services and other goods mainly composed of:

|   |                |
|---|----------------|
| - Office rent and related expenses      | 76.095,41 EUR  |
| - Other facility costs                  | 8.088,51 EUR   |
| - Postage, phone, fax and copy expenses | 20.325,67 EUR  |
| - Consulting fees                       | 24.526,20 EUR  |
| - Subscriptions and other costs         | 10.601,09 EUR  |
| - Membership consultant                 | 151.810,30 EUR |
| - Travel expenses                       | 9.161,34 EUR   |
| - Meetings and catering                 | 7.845,08 EUR   |
| - Computer maintenance & website        | 20.076,14 EUR  |
| - Event registration charges            | 0,00 EUR       |
| - Marketing                             | 33.734,27 EUR  |

Payroll charges (62/74) -421.030,80 EUR

The payroll charges recorded in the accounts agree with the statement from the social administration office.

Depreciation (63) -31.596,43 EUR

The depreciations agree with the depreciation schedule amounting to 33.391,43 EUR.

These accounts also include the provision of cancellation for the uncollectables for a total amount of -1.795,00 euro.

Other operational expenses (64) -19.943,13 EUR

Other operational expenses are due to taxes on real estate, local taxes and the loss on bad debtors.

Financial income/expenses (75/65) 4.017,54 EUR

The financial expenses are mainly due to bank charges, exchange rate difference and interest received.

Extraordinary costs (66) -60.609,40 EUR

There was an error in the carrying forward of small business full membership fees for 2015, invoiced at the end of 2014. As a result, revenue for 2014 was overstated by 60.609,40 euro. The 60.609,40 euro has been corrected as per December 31<sup>st</sup>, 2015.

#### **4 Events which took place between closing date and date of underlying report**

We have no knowledge of other important circumstances which could affect the operational activities of the BCCB between closing date of the financial statements and creation date of this report, i.e. 26 May 2016.

Marie-An Vangeel  
BDO Accountants Burg. Ven. CVBA