

Registered number: 05159791

**BLACK COUNTRY CONSORTIUM LIMITED**  
**(A Company Limited by Guarantee)**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**



**BLACK COUNTRY CONSORTIUM LIMITED**  
**(A Company Limited by Guarantee)**

**COMPANY INFORMATION**

<b>Directors</b>	Councillor M Bird Councillor I Brookfield Councillor K Carmichael (appointed 7 December 2021) Councillor P Harley Councillor R Singh (appointed 8 July 2021, resigned 16 November 2021) Mr K Davis Mr M Dudley Ms R Eade MBE Ms C Elliott Mrs M Espley Mrs L Flynn Mrs A Tomlinson Mr T Westley DL
<b>Company secretary</b>	Mr D Pattison
<b>Registered number</b>	05159791
<b>Registered office</b>	Dudley Court South The Waterfront Business Park Level Street West Midlands DY5 1XN
<b>Independent auditor</b>	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Office 401, 4th Floor Two Chamberlain Square Birmingham West Midlands B3 3AX

**BLACK COUNTRY CONSORTIUM LIMITED**  
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**BLACK COUNTRY CONSORTIUM LIMITED**  
**(A Company Limited by Guarantee)**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

The directors present their report and the financial statements for the year ended 31 March 2022.

**Principal activities**

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 assists and supports stakeholders on their understanding of the implementation of the integrated economic and spatial strategy – the Black Country Strategy for Growth and Competitiveness, documented in the published Black Country Strategic Economic Plan against our vision led ambitions. The company monitors progress towards outcomes on economic competitiveness, reversal of population migration, levelling up, net zero 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 public and private sector partners on strategic priorities, enabling partnership working between the public, private, academia and voluntary sectors to improve the economic performance of the area and the health and wellbeing of its residents, providing data, intelligence and policy advice on economic issues and acting as an advocate and champion for the Black Country area. This support is provided to the overarching strategic partnership – Black Country Consortium and a number of aligned boards including the Local Enterprise Partnership (BCLEP) and the Active Black Country Partnership (ABC).

The BCLEP is a voluntary partnership between local authorities, academia (higher and further education) and the private sector and was formed in 2011 by the then Department for Business, Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within a defined local area. Aligned to the work of the LEP is the delivery of the Black Country Growth Hub which acts as a single point of contact for all business enquiries in the region. Government established Growth Hubs in 2014 in order to co-ordinate public and private providers of business support, collate information about business support provision locally, regionally and national and signpost businesses to the most appropriate support. Each LEP has a Growth Hub which is funded directly by a grant from BEIS. Specifically, the Black Country LEP Growth Hub has operated with increasing success through its team of Business Co-Ordinator's and Business Account Managers.

The Active Black Country partnership is the strategic lead for Physical Activity and Sport across the Black Country, funded by Sport England as part of the national network of Active Partnerships. The partnership focuses on the power of physical activity and sport to change people's lives, advocating the health, social and economic benefits of sport, physical activity and play for our residents. The Active Black Country role is uniquely aligned to the Black Country, driven by the demographics of the region, the environment in which we work and our organisations beliefs and values. The vision is to create an active, healthy and prosperous Black Country and get the regions 323,000 inactive residents active, to cut health and adult social care costs alongside contributing to carbon zero ambitions and Black Country Plan for Growth. As an 'enabling' partnership, the team focuses on facilitating collaboration across the four local authorities, communities and other identified stakeholders. They co-ordinate joint working where it adds most value, seeking to influence policy, facility development, attract investment, and commission programmes and campaigns.

The company also manages the Black Country Skills Factory which focusses on careers education and guidance along with skills development addressing the shortfall and improving the understanding and attractiveness in important Black Country sectors such as advanced manufacturing, digital, transport & building technologies, health and care. Black Country Consortium Ltd (BCC Ltd) responded to the call-to-action from the national Careers & Enterprise Company (CEC) funded by the Department for Education to facilitate the delivery of world class careers education for all young people. Black Country Consortium Ltd manage the Enterprise Adviser Network, the Careers Hubs and the Cornerstone Employer Group on behalf of the Careers & Enterprise Company across the Black Country area.

**BLACK COUNTRY CONSORTIUM LIMITED**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**2021/22 Business review, current activities and future developments**

Black Country Consortium Ltd is a not-for-profit company, limited by guarantee. Its guarantee members are the leaders of the four Black Country local authorities – City of Wolverhampton Council, Dudley MBC, Sandwell MBC and Walsall MBC.

The statement of comprehensive income for the 2021/2022 financial year is shown on page 11 and incorporates adjustments for corporation tax and the West Midlands Pension Fund FRS102 pension adjustments. The result for the year before these adjustments was a surplus of £3,600. Cash balances are healthy and the net current asset position has been maintained year on year.

The company continues to change and adapt in order to respond quickly and effectively to a rapidly changing national, sub-national, regional & local political environment, including economic recovery in response to Covid-19, post EU exit policy developments and industrial decarbonisation and energy requirements of businesses. The in-year focus of support remains on the Black Country with company officers and directors working through a series of partnership collaborations across the West Midlands, pan Midlands and with other LEPs on a national footing. The company's Programme Management Office function oversee a range of capital programmes including the Black Country Local Growth Deal of £217m, the Black County Enterprise Zone, Get Britain Building Fund (Black Country based projects) and the West Midlands Combined Authority Black Country Brownfield and Property Investment programme. Company activities are clustered under the three pillars of the Black Country Strategy; Infrastructure Development (Connectivity including Digital and Transport infrastructure, Black Country as Garden City initiative, Environment, Energy Capital, and Digital priorities); Competitiveness (Business Advice & Support, International Trade, Inward Investment, Access to Finance, Black Country Productivity Factory) and Education, Employability & Skills (strategic advice on the improvement of schools and college Careers Information, Advice and Guidance, brokering relationships between employers and education, supporting Apprenticeship and Workforce Development for all sectors via the Black Country Skills Factory). These along with a focus on communication and perceptions have created the framework for many company activities.

Black Country Consortium Ltd has played an integral role in developing the West Midlands Growth Plan and has influenced the priorities that underpin it. The company's Economic Intelligence Unit (BCEIU) is responsible for the data analytics evidence for the West Midlands Combined Authority. Black Country Consortium Ltd is also one of the main delivery partners in the Midlands Engine Observatory which is a partnership commissioned by the Midlands Engine Executive. The company provides the Midlands Engine with regular Economic Commentary including Covid-19 Economic Monitors, which provides intelligence that can inform, support and influence important decision making to ensure strategy and policy is evidence led.

Government launched a root and branch review of all 38 LEPs in March 2020, focussed on their role and purpose. The outcome was confirmed in the governments Levelling Up White Paper in February 2022. Successor capital programmes to Growth Deal are being channelled via statutory bodies such as local and combined authorities and LEPs will follow a range of pathways but ultimately be integrated into democratically elected organisations. The Black Country LEP activity and agreed related capacity will transition into the West Midlands Combined Authority with effect from 31st March 2023, as such the Black Country LEP will cease to operate at that date.

Covid19 and the shift to home working has provided an opportunity to downsize our HQ space and create further efficiencies across our operating model, prioritising investment in team capacity rather than office accommodation. Notice has been served on our office lease at the company HQ - The Deckhouse in DY5 becoming effective in March 2022 with the implementation of a Work from Home set of policies supported by a proportional serviced office accommodation at the Waterfront DY5 location occupied from February 2022.

As a company limited by guarantee our priority continues to be ensuring our future offer adapts to meet the needs of our Guarantee Members and broader Black Country stakeholders via a sustainable funding model.

**BLACK COUNTRY CONSORTIUM LIMITED**  
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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**Future Developments**

Black Country Consortiums priorities are being shaped by the impact of the national policy on Levelling Up as set out in published White Paper in February 2022. Company resources for 2021/22 remain focussed on supporting the Black Country economy to adapt, whilst preparing to transition its LEP based activities into revised arrangements via democratically elected bodies and reviewing its governance arrangement requirements for the Active Black Country partnership as defined by the Code for Sport Governance through the grant funding award by Sport England.

Collaborative working with subsidiarity as a core principle of what works best at what spatial level means that collaborative partnerships continue to adapt to local, regional, pan regional and national arrangements. 2022/23 is an appropriate time to revise the ways in which the Black Country Councils collaborate across a wider geography in the light of the current economic, environmental, political, policy and financial contexts. These factors include:

- The 2022 Levelling Up White paper; bringing to a close a ministerial led review of LEP roles, functions and geographies;
- The replacement of the National Industrial Strategy with the Plan for Growth;
- Government's increasing focus on competitive funding through local authorities;
- The review of business support nationally and in the West Midlands.

A proposed set of principles have been agreed to underpin new collaborative arrangements following a root and branch review of governance structures during 2022/23 which are:

- The Black Country Councils have the ability to collaborate across different geographies and combinations of places and cities in an agile and flexible way;
- Wherever appropriate collaboration should take place at a West Midlands level through the Combined Authority and its associated structures. The primary foci for partnership working should be at West Midlands Combined Authority and local authority levels;
- Continuing capacity for operational collaboration across the Black Country where appropriate should be facilitated.
- The Sport England governance code provides an opportunity to implement an independent entity for the Active Black Country Partnership that can provide a sole focus on its primary objectives of healthy place making.
- We await Government announcements on budget fiscal events and details from the West Midlands Combined Authority on the expected transition of the Black Country LEP which will articulate the changes to roles and responsibilities on economic development across the various geographies.

During this post balance sheet period, taking account of the principles above and the national and regional policy changes, new governance arrangements are anticipated to be developed that will likely replace the role and remit of Black Country Consortium Ltd at some point in the next 12 months from the date of signing these accounts. The company has created a Transition Fund to support the required changes and continues to be able to meet its liabilities as they fall due. The policy preferences therefore give rise at this time to a material uncertainty to the company's future over the next 12 months and therefore these financial statements have been prepared on a non-going concern basis. This assessment is as a direct result of policy change and preference by the company guarantee members to change mechanisms to facilitate partnership working.

**BLACK COUNTRY CONSORTIUM LIMITED**  
**(A Company Limited by Guarantee)**

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**Directors' responsibilities statement**

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting 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 and 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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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**Directors**

The directors who served during the year are disclosed on the company information page.

**Disclosure of information to auditor**

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

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

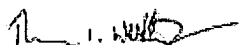
**Auditor**

The auditor, Cooper Parry Group Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

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 and signed on its behalf by:



**Mr T Westley DL**  
Director

Date: 21 November 2022



**BLACK COUNTRY CONSORTIUM LIMITED**  
**(A Company Limited by Guarantee)**

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

**Opinion**

We have audited the financial statements of Black Country Consortium Limited (the 'company') for the year ended 31 March 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter – financial statements prepared on a basis other than going concern**

We draw attention to note 1.3 to the financial statements which explains the financial statements have been prepared on a basis other than going concern as it is the intention of the directors to formally liquidate the company in the foreseeable future following the ceasing of activities in the company from 31 March 2023. Our opinion is not modified in respect of this manner.

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**BLACK COUNTRY CONSORTIUM LIMITED**  
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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BLACK COUNTRY CONSORTIUM LIMITED (CONTINUED)**

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**BLACK COUNTRY CONSORTIUM LIMITED**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BLACK COUNTRY CONSORTIUM LIMITED (CONTINUED)**

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focussed on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the company and how the company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the company's control environment and how the company has applied relevant control procedures, through discussions with directors and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

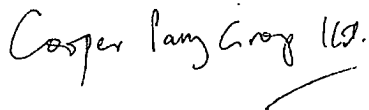
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

**BLACK COUNTRY CONSORTIUM LIMITED**  
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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BLACK COUNTRY CONSORTIUM LIMITED (CONTINUED)**

**Use of our report**

This report is made solely to the company's members 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 for our audit work, for this report, or for the opinions we have formed.



Glen Bott (Senior Statutory Auditor)

for and on behalf of  
**Cooper Parry Group Limited**

Chartered Accountants  
Statutory Auditor

Office 401, 4th Floor  
Two Chamberlain Square  
Birmingham  
West Midlands  
B3 3AX

Date: 14 December 2022

**BLACK COUNTRY CONSORTIUM LIMITED**  
(A Company Limited by Guarantee)

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Turnover	3	4,403,812	3,780,255
Cost of sales		(1,779,868)	(1,403,683)
<b>Gross profit</b>		<u>2,623,944</u>	<u>2,376,572</u>
Administrative expenses		(3,303,766)	(2,670,128)
<b>Operating loss</b>	4	(679,822)	(293,556)
Interest receivable and similar income		495	2,593
Other finance income		(121,000)	(63,000)
<b>Loss before tax</b>		(800,327)	(353,963)
Tax on loss	6	(73)	(519)
<b>Loss for the financial year</b>		<u>(800,400)</u>	<u>(354,482)</u>
<b>Other comprehensive income for the year</b>			
Actuarial gain/(loss) on defined benefit pension scheme		2,435,000	(2,537,000)
<b>Other comprehensive income for the year</b>		<u>2,435,000</u>	<u>(2,537,000)</u>
<b>Total comprehensive income for the year</b>		<u><u>1,634,600</u></u>	<u><u>(2,891,482)</u></u>

The notes on pages 12 to 24 form part of these financial statements.

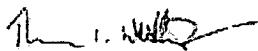
**BLACK COUNTRY CONSORTIUM LIMITED**  
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**REGISTERED NUMBER: 05159791**

**BALANCE SHEET**  
**AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	7	4,607	17,129
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	684,445	741,319
Cash at bank and in hand		2,174,532	1,788,036
		<u>2,858,977</u>	<u>2,529,355</u>
Creditors: amounts falling due within one year	10	<u>(2,050,702)</u>	<u>(1,737,204)</u>
<b>Net current assets</b>		808,275	792,151
<b>Total assets less current liabilities</b>		812,882	809,280
Pension liability		(4,088,000)	(5,719,000)
<b>Net liabilities</b>		<u>(3,275,118)</u>	<u>(4,909,720)</u>
<b>Capital and reserves</b>			
Profit and loss account	11	(3,275,118)	(4,909,720)
		<u>(3,275,118)</u>	<u>(4,909,720)</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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



**Mr T Westley DL**  
Director

Date: 21 November 2022

The notes on pages 12 to 24 form part of these financial statements.

**BLACK COUNTRY CONSORTIUM LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Black Country Consortium Limited is a company limited by guarantee, incorporated in the United Kingdom. The address of its registered office is shown on the company information page.

The financial statements are prepared in sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

**1.2 Income**

Income comprises grants and other income receivable from public sector bodies and other organisations. 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 Going concern**

As explained in the directors' report, Government launched a root and branch review of all 38 LEPs in March 2020, focussed on their role and purpose. The outcome was confirmed in the governments Levelling Up White Paper in February 2022. Successor capital programmes to Growth Deal are being channelled via statutory bodies such as local and combined authorities and LEPs will follow a range of pathways but ultimately be integrated into democratically elected organisations. The Black Country LEP activity and agreed related capacity will transition into the West Midlands Combined Authority with effect from 31st March 2023, as such the Black Country LEP will cease to operate at that date.

As well as hosting the Black Country LEP, the company provides functions to support a range of other activities which are also impacted by policy change and preference by the company guarantee members to alter the delivery operating model away from the company. It is the intention of the Directors to wind up the company and it is expected this will be completed within 12 months of these financial statements being approved. For this reason, the Directors consider that the company is no longer a going concern and the financial statements have therefore been prepared on a basis other than going concern.

There have been no adjustments to the measurement of the assets and liabilities at 31 March 2022 arising as a result of this decision to prepare the financial statements on a basis other than going concern.

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**BLACK COUNTRY CONSORTIUM LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**1. Accounting policies (continued)**

**1.4 Tangible fixed assets and depreciation (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 6 to 8 years straight line
Computer equipment	- 4 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**1.5 Operating leases**

Rentals paid under operating leases are charged to profit or loss 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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**1.6 Pensions**

**Defined benefit pension plan**

The company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**1.6 Pensions (continued)**

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

**1.7 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**1.8 Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

**1.9 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**1.10 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

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**2. Judgments in applying accounting policies and key sources of estimation uncertainty**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 13, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 March 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

**3. Turnover**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Black Country Local Authority subscriptions	413,288	413,288
Midlands Engine - BCC core funding	318,375	-
The Woodland Trust - BCC core funding	122,784	-
Innovation Alliance - BCC core funding	49,849	-
Combined Authority - BCC core funding	162,684	141,150
Other BCC core funding	105,503	40,861
Walsall MBC/LGF & LPIF – Programme Office funding	179,957	192,812
Walsall MBC/ – LEP Core and Strategic funding	449,071	560,924
Walsall MBC – LEP Review and LIS Implementation funding	-	200,000
Walsall MBC – Growth Hub	462,000	328,000
Walsall MBC – Growth Hub Other Funding	150,000	307,617
Innovation Alliance West Midlands	139,508	306,100
The Careers and Enterprise Company – Enterprise Advisors	245,542	215,356
The Careers and Enterprise Company – Other projects	336,998	200,650
Active Black Country Funding (including Sport England funding*)	1,268,253	873,497
<b>Total funding recognised in the year</b>	<b>4,403,812</b>	<b>3,780,255</b>

\*includes Sport England funding for Primary Role £253,704 (2021: £242,271); Local Workforce £37,500 (2021: £37,500); Supporting Schools £266,371 (2021: £83,004); Satellite Clubs £Nil (2021: £127,813); Children & Young People £298,314 (2021: £nil); Tackling Inequalities £132,000 (2021: £220,000); Get Out Get Active £93,422 (2021: £Nil).

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**4. Operating deficit**

The operating deficit is stated after charging:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other operating lease rentals	46,299	42,245

Included within the Statement of Comprehensive Income are charges amounting to £804,000 (2021: £359,000) in respect of the FRS102 adjustments related to the defined benefit pension scheme.

The result for the year before these adjustments was a surplus of £3,600 (2021: surplus of £4,518).

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**5. Employees**

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Administration	50	48

The number of employees whose basic salary (excluding employer's pension contributions and national insurance) fell in the following brackets is:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Basic Salary Band</b>		
£110,000 - £114,999	1	1
£80,000 - £84,999	1	-
£70,000 - £74,999	-	1
£65,000 - £69,999	2	-
£60,000 - £64,999	-	1
£55,000 - £59,999	1	2
£50,000 - £54,999	3	3
	<u>8</u>	<u>8</u>

Of the 8 employees above (2021: 8), 5 were female (2021:5) and 3 were male (2021: 3).

Board members and directors do not receive remuneration from the company.

As at 31 March 2022, the company had a total headcount of 45 (2021: 52) employees. The ethnic and gender breakdown of the company's employees as at 31 March 2022 and for the previous year is as follows:

	<b>31 March</b>	<b>31 March</b>
	<b>2022</b>	<b>2021</b>
<b>Ethnicity</b>		
White	39	43
Asian/Asian British	3	5
Black/African/Caribbean/Black British	3	4
<b>Gender</b>		
Male	15	19
Female	<u>30</u>	<u>33</u>

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**6. Taxation**

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	73	519
<b>Total current tax</b>	<u>73</u>	<u>519</u>

**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.

**7. Tangible fixed assets**

	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>			
At 1 April 2021	5,863	29,912	35,775
Disposals	-	(26,804)	(26,804)
At 31 March 2022	<u>5,863</u>	<u>3,108</u>	<u>8,971</u>
<b>Depreciation</b>			
At 1 April 2021	1,222	17,424	18,646
Charge for the year on financed assets	976	4,271	5,247
Disposals	-	(19,529)	(19,529)
At 31 March 2022	<u>2,198</u>	<u>2,166</u>	<u>4,364</u>
<b>Net book value</b>			
At 31 March 2022	<u>3,665</u>	<u>942</u>	<u>4,607</u>
At 31 March 2021	<u>4,641</u>	<u>12,488</u>	<u>17,129</u>

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**8. Debtors**

	<b>2022</b> £	<b>2021</b> £
Trade debtors	172,022	63,689
Other debtors	444	424
Prepayments and accrued income	511,979	677,206
	<u>684,445</u>	<u>741,319</u>

**9. Cash allocation to projects**

Included within the cash reserves held of £2,174,532 (2021: £1,788,036) are funds representing work to be completed in respect of future projects totalling £1,559,146 (2021: £1,346,349).

	<b>2022</b> £	<b>2021</b> £
Black Country Consortium Core Activities	787,923	534,301
SEP Proposition fund	-	37,657
Active Black Country funding*	440,973	605,133
Careers and Enterprise Company	206,900	74,866
Other sundry projects	123,350	91,319
Combined Universities Secondment	-	3,073
	<u>1,559,146</u>	<u>1,346,349</u>

\*Includes Sport England funding for Primary Role £4,592, Children and Young People £205,888, Social Prescribing £31,671, Ecorys School Games Organiser funding £15,015 and Commonwealth Active Communities £19,450 as well as other funding from the Combined Authority for the Place Based Fund £12,759.

**10. Creditors: Amounts falling due within one year**

	<b>2022</b> £	<b>2021</b> £
Trade creditors	132,394	90,507
Corporation tax	99	519
Other taxation and social security	88,429	75,786
Other creditors	28,766	29,029
Accruals and deferred income	1,801,014	1,541,363
	<u>2,050,702</u>	<u>1,737,204</u>

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**11. Reserves**

**Income and expenditure account**

This reserve includes all current and prior period retained surpluses and deficits.

**12. 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.

As at the 31 March 2022 there were four members of the company (2021: four members).

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**13. Pension commitments**

The company operates a Defined Benefit Pension Scheme.

The pension cost and provision for the year ending 31 March 2022 are based on the advice of a professionally qualified actuary. The most recent formal valuation is dated 31 March 2019.

Reconciliation of present value of plan liabilities:

	2022 £	2021 £
<b>Reconciliation of present value of plan liabilities</b>		
At the beginning of the year	17,435,000	12,625,000
Current service cost	923,000	508,000
Interest cost	357,000	294,000
Actuarial gains/losses	(1,636,000)	4,526,000
Contributions	121,000	111,000
Benefits paid	(187,000)	(301,000)
Change in demographic assumptions	(101,000)	(162,000)
Experience loss on defined benefit obligation	38,000	(166,000)
<b>At the end of the year</b>	<b>16,950,000</b>	<b>17,435,000</b>

Reconciliation of present value of plan assets:

	2022 £	2021 £
At the beginning of the year	11,716,000	9,802,000
Interest income	236,000	231,000
Return on assets less interest	736,000	1,661,000
Contributions	121,000	111,000
Benefits paid	(187,000)	(301,000)
Employer contributions	240,000	219,000
Administration expenses	-	(7,000)
<b>At the end of the year</b>	<b>12,862,000</b>	<b>11,716,000</b>



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**13. Pension commitments (continued)**

	<b>2022</b> £	<b>2021</b> £
Fair value of plan assets	12,862,000	11,716,000
Present value of plan liabilities	(16,950,000)	(17,435,000)
<b>Net pension scheme liability</b>	<u>(4,088,000)</u>	<u>(5,719,000)</u>

The amounts recognised in profit or loss are as follows:

	<b>2022</b> £	<b>2021</b> £
Current service cost	(922,037)	(519,828)
Interest on obligation	(357,000)	(294,000)
Interest income on plan assets	236,000	231,000
<b>Total</b>	<u>(1,043,037)</u>	<u>(582,828)</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	<b>2022</b> %	<b>2021</b> %
Discount rate	2.75	2.00
Future salary increases	4.15	3.85
Future pension increases	3.15	2.85
Mortality rates		
- for a male aged 65 now	21.2	21.6
- at 65 for a male aged 45 now	22.9	23.4
- for a female aged 65 now	23.6	23.9
- at 65 for a female member aged 45 now	<u>25.4</u>	<u>25.8</u>

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**14. Commitments under operating leases**

At 31 March 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	-	36,247
	-	36,247

**15. 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.

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.

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.

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**16. Local Enterprise Partnership Income & Expenditure 2021/22**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
Funds ringfenced to/from LEP grant income	(50,929)	60,924
LEP Grants	500,000	500,000
Other income	-	-
	<hr/> 449,071	<hr/> 560,924
<b>Expenditure</b>		
Black Country LEP contribution to WMCA	25,000	25,000
Black Country LEP transfer to WM Innovation Alliance	5,000	25,000
Black Country LEP contribution to Midlands Engine	20,000	20,000
Black Country LEP contribution to Ladders for the Black Country	-	-
Sponsorship of LEP Network	8,400	8,400
Black Country Energy Steering Group Support	-	36,408
Strategic Economic Plan & Local Industrial Strategy Development	24,720	28,203
LEP Board Development	-	4,200
Compliance Review	-	19,006
Marketing Communications & PR	27,177	33,858
Strategic Employment Sites Study	-	14,744
Economic Intelligence Data Subscriptions	-	-
Sundry Items	-	676
Capacity*	287,724	273,744
Events, Room Hire, Refreshments	-	10,532
Premises and Office Cost Recharge	31,986	31,866
Stationery, IT & Computer Costs	18,527	29,221
Motor & Travel Expenses	537	66
	<hr/> 449,071	<hr/> 560,924
<b>* Capacity (Staff costs recharged to LEP)</b>		
Careers & Enterprise Company Coordinator Match Funding	60,475	55,908
EU Programme Technical Assistant Post	-	38,181
Local Enterprise Partnership Governance	67,437	56,325
Finance & Productivity Lead	72,783	18,802
Digital Lead	-	11,919
Finance & HR Recharge	20,000	-
Programme Office Recharges	-	10,065
Marketing & Communications	28,429	42,546
Economic Intelligence	38,600	39,997
	<hr/> 287,724	<hr/> 273,743