

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
FOR
ISLE OF WIGHT CHAMBER OF COMMERCE**

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FOR THE YEAR ENDED 31 MARCH 2023**

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ISLE OF WIGHT CHAMBER OF COMMERCE

COMPANY INFORMATION FOR THE YEAR ENDED 31 MARCH 2023

DIRECTORS:

J Allen
K Lucas
K Greenfield
J Thornton
M Lee
R Holgate
J Irvine
S Holbrook
F Collins
A Colley
S Knowles
H Farrant
S Chatwin
T Osborn
A Dickinson

REGISTERED OFFICE:

Mill Court
Furrlongs
Newport
Isle of Wight
PO30 2AA

REGISTERED NUMBER: 01150487 (England and Wales)

AUDITORS:

Harrison Black Limited
Statutory Auditor
East Quay
Kite Hill
Wootton Bridge
Isle of Wight
PO33 4LA

BANKERS:

National Westminster Bank Plc
PO Box 25
Newport
Isle of Wight
PO30 5WA

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2023**

The directors submit their report and the audited financial statements for the year ended 31 March 2023. The company is limited by guarantee and has no share capital.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of providing business support to its members and delivery of government contracts.

The company is the sole member of Hampshire & Isle of Wight Opportunity Society Limited, which operates the Isle of Wight Lottery and provides soft loans to small businesses / business sponsorship to the Chamber. The results of this company are independently stated in their own audited financial statements and do not form part of these statutory accounts.

REVIEW OF BUSINESS

The results for the year and financial position of the company are shown in the annexed financial statements.

This was expected to be the year of recovery, the return to solid growth off the back of the Covid period, but then Russia invaded Ukraine and all that changed. What has transpired since has been an incredibly difficult and challenging period for business once again. Inflation flew over 10%, the cost of energy moved to crippling levels for many businesses and the squeeze on disposable incomes as a result has caused what has been called 'a cost-of-living crisis'. This and an ongoing battle to find, 'the right staff' has continued to be the key struggles for businesses in this financial year.

Of course, these factors impacted the IOW Chamber as well as the businesses we serve. We could not be immune to the immense pressures on inflation and hence made the decision to put up Membership for the first time since 2018, whilst this only impacted the numbers slightly as the increase began in October, it did help to ensure we maintained our income in this area in line with previous years, if not achieving the growth we would have liked. Across the board our charges were increased slightly, but only in line with the general market levels of increase.

There was a significant reduction in turnover in the year due to income from the kick start scheme in the prior year not being repeated in the current year. The kickstart scheme had yielded a net surplus in the prior year which has not been repeated, however this was largely offset by a net income generated from the awards evening. Consequently, the gross surplus this year showed very little change to the prior year.

The return of our full social calendar was vitally important to our financial performance, especially with the Awards, this time with a new Spring date. Combined with Expo, Cowes Week and our monthly Networking events, we were able to largely plan and predict our incomes in these core areas and plan accordingly. Key and core again were delivering these events at a high level that exceeds our Members expectations to make them as much a core part of their business year as it is for us.

The Patron program returned in full this year too and proves to be an incredibly important part of the IW Chambers offering and an opportunity area for the future also, given the quality of the product offerings and the value-add they offer Members.

With all budgeted external incomes now gone, it was a very welcome bonus at the end of the year to be paid for our hours spent on the Local Skills Improvement Plan (LSIP). Income from the IOW Lottery continues to fall and is an area of risk.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2023**

The final major influence in the year end results was the savings against prior year and budgeted staff cost. We would have liked to have recruited and had a full team for the year, but this wasn't achieved, but is a key area we will be addressing next year.

A healthy surplus for the year was credit to the dedication of our small Chamber team who continue to deliver a fantastic product and service to our Members in what continues to be incredibly challenging times.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

J Allen
K Greenfield
J Thornton
M Lee
R Holgate
J Irvine
S Holbrook
F Collins
A Colley
S Knowles
H Farrant
S Chatwin
T Osborn

Other changes in directors holding office are as follows:

S Porter - resigned 7 October 2022
C Scott - resigned 7 October 2022
G Underwood - resigned 7 October 2022
K Lucas - appointed 7 October 2022
A Dickinson - appointed 7 October 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 surplus or deficit 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 judgements 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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2023**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

M Lee - Director

4 October 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ISLE OF WIGHT CHAMBER OF COMMERCE

Opinion

We have audited the financial statements of Isle of Wight Chamber of Commerce (the 'company') for the year ended 31 March 2023 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, 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 2023 and of its surplus 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 Auditors' 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 UK, including the FRC'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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ISLE OF WIGHT CHAMBER OF COMMERCE

Opinions 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors 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 Report of the Directors.

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 from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages three and four, 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 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.

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing the risks of material misstatement in respect of irregularities, we have considered the following:

- The nature of the industry in which the entity operates, gaining an understanding of the legal and regulatory frameworks applicable. We considered non-compliance of such regulatory requirements and designed our work accordingly. We considered if any changes had occurred in relation to mutual trade as a result of changes in income streams and whether any increased non-member or other taxable trade had occurred and if so the likely effect on the entity in relation to their tax liability.
- The management structure and control environment. We considered whether remuneration or bonus levels would give rise to incentive for fraud and in which areas gave the greatest potential for such fraud. We designed our testing to focus on areas such as complex transactions, unusual journals and recognition of income. We are also required to perform specific procedures to respond to the risk of management override, as is common in all audits under ISAs (UK).
- The appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures. We considered the consistency of such policies and estimates and whether they were still appropriate, who performed the work and their expertise in doing so, whether any adjustments were made in accordance with the relevant accounting framework.
- The entity's performance throughout the year and any future expected changes including the appropriateness of the going concern basis. We adapted our audit procedures to consider whether future income was expected to change. We considered whether material uncertainty would exist should funding reduce and if this would cast doubt on the entities ability to continue as a going concern.

Our work was carried out using systematic testing methods, analytical review, results of communication with management, professional scepticism, observation of controls and systems, and our experience and knowledge of the entity.

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. This description forms part of our Report of the Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ISLE OF WIGHT CHAMBER OF COMMERCE

Use of our report

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 a Report of the Auditors 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.

A S Garner BA (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Harrison Black Limited
Statutory Auditor
East Quay
Kite Hill
Wootton Bridge
Isle of Wight
PO33 4LA

17 October 2023

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

		2023	2022
	Notes	£	£
TURNOVER		573,953	1,036,403
Cost of sales		<u>428,306</u>	<u>894,660</u>
GROSS SURPLUS		145,647	141,743
Administrative expenses		<u>106,602</u>	<u>104,594</u>
		39,045	37,149
Other operating income	3	<u>-</u>	<u>23,417</u>
OPERATING SURPLUS	5	39,045	60,566
Interest receivable and similar income		<u>1,079</u>	<u>23</u>
		40,124	60,589
Interest payable and similar expenses		<u>10,136</u>	<u>9,298</u>
SURPLUS BEFORE TAXATION		29,988	51,291
Tax on surplus	6	<u>2,739</u>	<u>7,060</u>
SURPLUS FOR THE FINANCIAL YEAR		27,249	44,231

The notes form part of these financial statements

**BALANCE SHEET
31 MARCH 2023**

		2023		2022	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	7		2,046		3,435
Investments	8		<u>-</u>		<u>-</u>
			2,046		3,435
CURRENT ASSETS					
Debtors	9	146,041		130,414	
Cash at bank and in hand		326,583		343,886	
		472,624		474,300	
CREDITORS					
Amounts falling due within one year	10	211,031		231,401	
NET CURRENT ASSETS			261,593		242,899
TOTAL ASSETS LESS					
CURRENT LIABILITIES			263,639		246,334
CREDITORS					
Amounts falling due after more than one year	11		22,381		32,325
NET ASSETS			241,258		214,009
RESERVES					
Income and expenditure account			241,258		214,009
			241,258		214,009

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

The financial statements were approved by the Board of Directors and authorised for issue on 4 October 2023 and were signed on its behalf by:

M Lee - Director

J Allen - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. STATUTORY INFORMATION

Isle of Wight Chamber of Commerce is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The financial statements contain information about Isle of Wight Chamber of Commerce as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Turnover

Turnover represents income received from members, sponsorship, management charges and income attributable to government contracts / grants.

Revenue is measured at the fair value of the consideration received or receivable, net of returns and value added taxes, where applicable. The company recognises income when the significant risks and rewards of ownership have been transferred and the amount of revenue can be measured reliably.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Fixtures and fittings - 25% on reducing balance
Computer equipment - at varying rates on cost

The presidential chain is not depreciated as the net realisable value is considered to be in excess of cost.

Tangible fixed assets are stated at cost or valuation less any accumulated depreciation and any accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended by management.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

2. ACCOUNTING POLICIES - continued

Government grants

The entity recognises government grants only when there is reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised in profit or loss of the period in which it becomes receivable.

Investments in subsidiaries

Investments in subsidiaries are recognised at cost less impairment.

Hire purchase and leasing commitments

Leases that do not transfer all the risks and rewards are classified as operating leases. Rental payments under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate. Once the contributions have been paid the company has no further payment obligations. Amounts not paid at the year end are shown in other creditors. The assets of the plan are held separately from the company in an independently administered scheme.

Employment benefits

Short term benefits, including holiday pay, are recognised in the period in which the service is received.

3. OTHER OPERATING INCOME

	2023	2022
	£	£
Government grants	<u><u>-</u></u>	<u><u>23,417</u></u>

During the year the Isle of Wight Chamber of Commerce received £nil (2022 - £21,208) in support from the Government in relation to the Coronavirus Job Retention Scheme and £nil (2021 - £2,000) in Local Authority Business Support grants. An amount of £nil (2022 - £209) was also received in relation to the Business Interruption Loan interest payment incurred by the Government of which the original loan was £50,000.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 7 (2022 - 8) .

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

5. OPERATING SURPLUS

The operating surplus is stated after charging:

	2023	2022
	£	£
Depreciation - owned assets	1,389	1,845
Auditors' remuneration	2,815	2,815
Operating lease charges	6,195	6,200
Income from group undertakings	<u>48,195</u>	<u>51,690</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the surplus for the year was as follows:

	2023	2022
	£	£
Current tax:		
UK corporation tax	<u>2,739</u>	<u>7,060</u>
Tax on surplus	<u>2,739</u>	<u>7,060</u>

UK corporation tax has been charged at 19% (2022 - 19%).

Corporation tax is provided for on interest receivable and non-member trade on the grounds the company is a mutual trade organisation deriving its income principally from its membership.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

7. TANGIBLE FIXED ASSETS

	Presidential chain £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2022	50	1,117	31,078	32,245
Disposals	-	(919)	(22,680)	(23,599)
At 31 March 2023	50	198	8,398	8,646
DEPRECIATION				
At 1 April 2022	-	1,117	27,693	28,810
Charge for year	-	-	1,389	1,389
Eliminated on disposal	-	(919)	(22,680)	(23,599)
At 31 March 2023	-	198	6,402	6,600
NET BOOK VALUE				
At 31 March 2023	50	-	1,996	2,046
At 31 March 2022	50	-	3,385	3,435

8. FIXED ASSET INVESTMENTS

The company's investments at the balance sheet date include the following:

Subsidiary Undertakings

The company is the sole member of Hampshire & Isle of Wight Opportunity Society Limited, a company limited by guarantee, that operates the Isle of Wight Lottery and which provides soft loans to small businesses / business sponsorship to the Chamber.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	88,994	73,270
Amounts owed by group undertakings	13,571	13,297
Other debtors	-	1,044
Prepayments and accrued income	43,476	42,803
	<u>146,041</u>	<u>130,414</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts	9,954	9,708
Trade creditors	8,882	17,998
Corporation tax	2,739	7,060
Social security and other taxes	6,264	17,243
VAT	13,870	16,429
Other creditors	30,935	39,638
Accruals and deferred income	138,387	123,325
	<u>211,031</u>	<u>231,401</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Bank loans - 1-2 years	10,206	9,954
Bank loans - 2-5 years	12,175	22,371
	<u>22,381</u>	<u>32,325</u>

12. GUARANTEES PROVIDED

The company is the sole member of the Hampshire & Isle of Wight Opportunity Society Limited for which it guarantees £1 in the event that this company is unable to meet their financial obligations.

The company is also a member of Visit Isle of Wight Limited for which it guarantees £1 in the event that this company is unable to meet their financial obligations.

The company is also a member of the British Chambers of Commerce for which it guarantees £10 in the event that this company is unable to meet their financial obligations.

13. RELATED PARTY DISCLOSURES

The company has provided services in the ordinary course of business to companies in which the directors may have an interest. None of these amounts are material and were undertaken on an arms length basis.

Hampshire & Isle of Wight Opportunity Society Limited

Sole member

During the year the company provided office facilities, management support and administration services to Hampshire & Isle of Wight Opportunity Society Limited. The charge for these services was £36,720 inclusive of VAT (2022 - £38,080).

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

A further £17,595 (2022 - £19,957) was receivable from Hampshire & Isle of Wight Opportunity Society Limited as sponsorship from the business development fund.

In addition during the year other operating expenses were paid on behalf of Hampshire & Isle of Wight Opportunity Society Limited of £2,696 (2022 - £8,443).

	2023	2022
	£	£
Amount due from related party at the balance sheet date	<u>13,571</u>	<u>13,296</u>

14. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party due to the wide membership.