

ICC UNITED KINGDOM

Financial statements for year
ended 31 December 2017

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STATEMENT OF OFFICERS' RESPONSIBILITIES

Statement of Officers' Responsibilities in Respect of the Financial Statements

The officers have elected to prepare the Financial Statements for the financial year ended 31 December 2017 in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.' The officers 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 organisation and of the profit or loss for that period. In preparing those financial statements, the officers are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- The officers' consideration and conclusion is set out in Note 1.

The officers are responsible for keeping proper accounting records that are sufficient to show and explain the organisation's transactions and disclose with reasonable accuracy at any time the financial position of the organisation. They are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The officers confirm that they have complied with these requirements and continue to adopt the going concern basis in preparing the financial statements.

Statement on Disclosure of Information to Auditor

So far as the officers are aware, there is no relevant audit information of which the organisation's auditor is unaware, and each officer has taken all steps that he ought to have taken as an officer in order to make himself aware of any relevant audit information and to establish that the organisation's auditor is aware of that information.

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of ICC United Kingdom ('the organization') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash flows, the Statement of Changes in Equity and the related notes in accordance with our engagement terms dated 20 March 2018 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 FRS 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 organisation's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 organisation 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.

Use of the audit report

This report is made solely to the organisation's officers 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 organisations' officers 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 organisation and the organisations' officers as a body for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the officers' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the officers have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the organisation's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT

Other information

The officers are responsible for the other information. The other information comprises the information included in the Statement of Officers' Responsibilities other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 Statement of Officers' Responsibilities for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Statement of Officers' Responsibilities has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the organization and its environment obtained in the course of the audit, we have not identified material misstatements in the Statement of Officers' Responsibilities.

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 officers' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Officers

As explained more fully in the statement of officers' responsibilities, the officers 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 officers 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 officers are responsible for assessing the organisation'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 officers either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

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.

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 auditor's report.

William Neale Bussey for and on behalf of Mazars LLP

Chartered Accountants
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London
E1W 1DD

STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Notes	2017 £	2016 £
Turnover	2	862,506	824,805
Cost of sales	3	(419,457)	(330,637)
Gross profit		<u>443,049</u>	<u>494,168</u>
Administrative expenditure	4	(482,170)	(480,691)
Operating (loss)/profit	5	<u>(39,121)</u>	<u>13,477</u>
Interest receivable and similar income	6	33	134
Interest payable and similar charges	7	(26)	(13)
(Loss)/profit on ordinary activities before taxation		<u>(39,114)</u>	<u>13,598</u>
Taxation	8	-	-
(Loss)/profit for the financial year		<u>(39,114)</u>	<u>13,598</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>(39,114)</u>	<u>13,598</u>

All activities of the organisation were transferred to World Business Organization Limited on 1 January 2018.

STATEMENT OF FINANCIAL POSITION

	Notes	2017 £	2016 £
Non-current assets			
Intangible assets	9	1,296	4,403
Property, plant and equipment	10	34,735	60,010
Rent deposit	12	14,737	14,737
		<u>50,768</u>	<u>79,150</u>
Current assets			
Inventories	11	3,340	3,392
Debtors	12	57,606	48,329
Cash and cash equivalents		690,436	746,813
Current assets		<u>751,382</u>	<u>798,534</u>
Creditors: amounts falling due within one year	13	(80,580)	(117,000)
Net current assets		<u>670,802</u>	<u>681,534</u>
Total assets less current liabilities		<u>721,570</u>	<u>760,684</u>
Provisions for liabilities	14	(5,000)	(5,000)
Net assets		<u>716,570</u>	<u>755,684</u>
Reserves		<u>716,570</u>	<u>755,684</u>

Approval

The financial statements were approved by the officers on 1 May 2018 and signed on their behalf by Paul Korolkiewicz:



STATEMENT OF CASH FLOWS

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations			
- Cash receipts from customers		1,054,870	1,120,212
- Cash payments to suppliers and employees		(1,107,688)	(955,325)
Interest paid		(26)	(13)
Net cash (absorbed by)/ generated from operating activities		<u>(52,844)</u>	<u>164,874</u>
Cash flows from investment activities			
Purchase of property, plant and equipment		(3,566)	(3,970)
Interest received		33	134
Net cash used in investing activities		<u>(3,533)</u>	<u>(3,836)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(56,377)</u>	<u>161,038</u>
Cash and cash equivalents at the beginning of the year		746,813	585,775
Cash and cash equivalents at end of year		<u><u>690,436</u></u>	<u><u>746,813</u></u>

STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity

	Total
	£
Balance at 1 January 2016	742,086
Total comprehensive income for the year	13,598
At 31 December 2016	<u>755,684</u>
Balance at 1 January 2017	755,684
Total comprehensive income for the year	(39,114)
At 31 December 2017	<u>716,570</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with the provisions of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling, which is the functional currency for the organisation, and amounts have been rounded to the nearest pound.

Going concern

The organisation ceased trading on 31 December 2017 and its assets, liabilities and trade were transferred to a new corporate entity, World Business Organization Limited, a company limited by guarantee. From 1 January 2018, World Business Organization Limited is trading as ICC United Kingdom. In view of the transfer of the organisation's business as a going concern, the officers concluded that the going concern basis of preparation is appropriate for the last financial statements of the organisation.

Revenue recognition

Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Membership services

Members' subscriptions, which are stated net of value added tax, are recognised in the period to which they relate.

Publications income

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on the despatch of the goods.

Events income

Ticket sales and sponsorship received for seminars is recognised as revenue at the event date, to the extent that it is reasonably certain payment will be received.

Interest income

Interest income is recognised as it accrues.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include those directly attributable to making the asset capable of operating as intended. The carrying value of tangible assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Depreciation is provided at rates calculated to write off the cost less estimated residual value over the useful life of the asset. The rates of depreciation are as follows:

Computer and office equipment	-	over 3 years straight line
Office improvements & furniture	-	over 5 years straight line

Intangible assets and amortisation

Intangible fixed assets are stated at cost less accumulated amortisation and accumulated impairment losses. Such costs include those directly attributable to making the asset capable of operating as intended. The carrying value of intangible assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Amortisation is provided at rates calculated to write off the cost less estimated residual value over the useful life of the asset. The rates of amortisation are as follows:

Website development	-	over 3 years straight line
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Inventories

The stock of publications is stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less any further cost expected to be incurred.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered). Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less, or receive more, tax in the future. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Foreign currencies

Foreign currency monetary assets and liabilities are translated into the functional currency (sterling) at rates of exchange ruling at the balance sheet date. Exchange differences are included in profit for the year.

Lease

Operating lease payments are charged to profit or loss on a straight line basis over the lease term.

Lease incentives are recognised over the lease term on a straight line basis.

Pensions

ICC United Kingdom contributes to a defined contribution pension scheme for certain members of staff. Contributions are charged to profit and loss as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Debtors

Trade and other receivables are measured at transaction price less any impairment unless the arrangement constitutes a financing transaction in which case the transaction is measured at the present value of the future receipts discounted at the prevailing market rate of interest. Loans are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less any impairment.

Creditors

Trade and other payables are measured at transaction price less any impairment unless the arrangement constitutes a financing transaction in which case the transaction is measured at the present value of the future payments discounted at the prevailing market rate of interest. Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies (continued)

Provisions

A provision is recognised when the organisation has a legal or contractual obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. When the effect of the time value of money is material, the provisions are discounted.

Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Judgements

The organisation ceased trading on 31 December 2017 and its assets, liabilities and trade were transferred to a new corporate entity, World Business Organisation Limited, a company limited by guarantee. On 1 January 2018 World Business Organization is trading as ICC United Kingdom. In view of the transfer of the organisation's business as a going concern, the officers concluded that the going concern basis of preparation is appropriate for the last financial statements of the organisation.

Estimates

It is assumed that office dilapidations costs will not exceed £5,000.

NOTES TO THE FINANCIAL STATEMENTS

2 Turnover

Turnover is defined as income from the sales of membership subscriptions and services, publications, events tickets and sponsorship, excluding interest income.

	2017	2016
	£	£
Membership services	706,479	699,473
Publications	26,543	25,879
Events	129,484	99,453
	<u>862,506</u>	<u>824,805</u>

3 Cost of sales

Cost of sales is defined as all costs relating to membership support and sales of ICC products and services including salaries associated with operational activities, marketing, venue hire and travel.

	2017	2016
	£	£
Membership services	303,939	246,052
Publications	19,093	18,635
Events	96,425	65,950
	<u>419,457</u>	<u>330,637</u>

Cost of sales has increased as part of a programme enhancing membership services and quality of events.

NOTES TO THE FINANCIAL STATEMENTS

4 Administrative expenditure

Administrative expenditure is not directly attributed to membership support or sales of ICC products and services, and includes quota to headquarters, and administrative salaries.

	2017	2016
	£	£
Quota contribution to ICC headquarters	183,817	164,513
Employee costs	64,715	80,498
Rent and service charge	74,116	71,843
Office services - telecoms, IT and utilities	63,587	44,306
Accounting	48,595	49,921
Auditor's fees	10,250	6,000
Depreciation	31,354	32,326
Exchange loss	393	7,531
Non recurring costs	1,896	21,754
Bank charges	3,447	1,999
	482,170	480,691

Non recurring costs are those related to re-structuring the organisation.

	2017	2016
	£	£
Audit fees	7,000	6,000
Non audit fees	3,250	-
	10,250	6,000

5 Operating (loss)/profit

The following items have been recognised as expenses in determining operating (loss)/profit before tax.

	2017	2016
	£	£
Cost of inventories recognised as expense	12,315	13,202
Expense of defined contribution pension scheme	9,588	2,608
Operating lease expense	46,719	46,717

6 Interest receivable and similar income

	2017	2016
	£	£
Bank interest	33	134

7 Interest payable and similar charges

	2017	2016
	£	£
Bank interest	26	13

NOTES TO THE FINANCIAL STATEMENTS

8 Taxation

The tax charge on the profit on ordinary activities for the year was as follows;

	2017	2016
	£	£
Total current tax charge	-	-
Deferred taxation	-	-
	<u>-</u>	<u>-</u>
Tax charge for the year	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is different from the standard rate of tax in the UK. The difference is explained below:

	2017	2016
	£	£
(Loss)/profit on ordinary activities before taxation	(39,114)	13,598
Profit on ordinary activities multiplied by the standard rate of tax in the UK of 19.25% (2016: 20%)	(7,529)	2,729

Effects of:

Non deductible expenses	3,612	6,221
Losses carried forward/(used)	<u>3,917</u>	<u>(8,950)</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

The organisation has an unprovided deferred tax asset of approximately £80,500 (2016: £99,000). No deferred tax asset has been recognised due to the uncertainty of the availability of future profits.

NOTES TO THE FINANCIAL STATEMENTS

9 Intangible assets

	Website development £
Cost	
At 1 January 2017	22,530
Additions	-
At 31 December 2017	<u>22,530</u>
Depreciation	
At 1 January 2017	18,127
Charge for the year	3,107
At 31 December 2017	<u>21,234</u>
Net book value	
At 31 December 2017	<u>1,296</u>
At 31 December 2016	<u>4,403</u>

10 Property, plant and equipment

	Computer and office equipment £	Office improvements and furniture £	Total £
Cost			
At 1 January 2017	25,895	86,949	112,844
Additions	2,012	960	2,972
At 31 December 2017	<u>27,907</u>	<u>87,909</u>	<u>115,816</u>
Depreciation			
At 1 January 2017	15,994	36,840	52,834
Charge for the year	9,164	19,083	28,247
At 31 December 2017	<u>25,158</u>	<u>55,923</u>	<u>81,081</u>
Net book value			
At 31 December 2017	<u>2,749</u>	<u>31,986</u>	<u>34,735</u>
At 31 December 2016	<u>9,901</u>	<u>50,109</u>	<u>60,010</u>

11 Inventories

	2017 £	2016 £
Stock of publications	<u>3,340</u>	<u>3,392</u>

NOTES TO THE FINANCIAL STATEMENTS

12 Debtors	2017		2016	
	Within 1 year	After 1 year	Within 1 year	After 1 year
	£	£	£	£
Trade receivables	13,088	-	17,782	-
Prepayments and accrued income	31,173	-	16,850	-
Other debtors	13,345	-	13,697	-
Rent deposit	-	14,737	-	14,737
	57,606	14,737	48,329	14,737

13 Creditors: Amounts falling due with one year	2017	2016
	£	£
Trade payables	31,719	35,424
Other creditors	10,938	10,434
Other taxation and social security	6,455	7,605
Accruals	31,468	63,537
	80,580	117,000

14 Provisions for liabilities	2017	2016
	£	£
Dilapidations provision	5,000	5,000

The provision for dilapidations relates to the organisation's leasehold office. The liability is expect to crystallise on expiration of the lease (December 2019).

15 Related party disclosures

The aggregate remuneration of the organisation's officers in respect of services to the organisation was £nil in 2016 and 2017.

During the financial year, ICC United Kingdom charged membership fees totalling £60,120 (2016: £60,261) to parties connected to officers of the organisation.

16 Pension commitments

ICC United Kingdom contributes to a defined contribution pension scheme for all members of staff. Contributions are charged to profit and loss. The pension charge, representing contributions payable by the organisation amounted to £9,588 (2016: £2,608) of which £2,079 was outstanding at the year end (2016: £1,772).

NOTES TO THE FINANCIAL STATEMENTS

17 Obligations under leases

At 31 December 2017 the organisation had total commitments in respect of operating leases for land and buildings as follows:

Minimum future rentals payable	2017 £	2016 £
Within 1 year	49,178	49,178
In second to fifth year inclusive	49,178	98,356
	<u>98,356</u>	<u>147,534</u>

18 Capital commitments

The organisation had capital commitments totalling £nil as at 31 December 2017 (2016: £nil)

INTERNATIONAL CHAMBER OF COMMERCE

ICC is the world's largest business organisation representing 6.5 million companies in 136 countries.

ICC is the only business organisation with UN Observer Status and acts as a leading voice for business at the UN, G20, World Trade Organization and other major international institutions. ICC has three central roles:

- 1 Promote responsible free trade
- 2 Provide the rules and standards that self-regulate international business
- 3 Help companies and states resolve international disputes

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business organisation**

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