

Company Registration No. 09132366 (England and Wales)

COMMONWEALTH ENTERPRISE & INVESTMENT COUNCIL

UK LIMITED BY GUARANTEE

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

PAGES FOR FILING WITH REGISTRAR

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UK LIMITED BY GUARANTEE
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**COMMONWEALTH ENTERPRISE & INVESTMENT COUNCIL
UK LIMITED BY GUARANTEE
BALANCE SHEET**

AS AT 31 JULY 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	3		2,299		6,118
Investments	4		644,587		730,381
			<u>646,886</u>		<u>736,499</u>
Current assets					
Debtors	5	33,505		195,952	
Cash at bank and in hand		456,967		190,858	
		<u>490,472</u>		<u>386,810</u>	
Creditors: amounts falling due within one year	6	<u>(511,141)</u>		<u>(531,852)</u>	
Net current liabilities			<u>(20,669)</u>		<u>(145,042)</u>
Total assets less current liabilities			<u>626,217</u>		<u>591,457</u>
Provisions for liabilities			<u>(12,390)</u>		<u>(17,151)</u>
Net assets			<u>613,827</u>		<u>574,306</u>
Reserves					
Non-distributable profits reserve	8		63,406		95,381
Income and expenditure account			550,421		478,925
			<u>613,827</u>		<u>574,306</u>
Members' funds			<u>613,827</u>		<u>574,306</u>

The directors of the company have elected not to include a copy of the income and expenditure account within the financial statements.

For the financial year ended 31 July 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

**COMMONWEALTH ENTERPRISE & INVESTMENT COUNCIL
UK LIMITED BY GUARANTEE
BALANCE SHEET (CONTINUED)**

AS AT 31 JULY 2020

The financial statements were approved by the board of directors and authorised for issue on 25 March 2021 and are signed on its behalf by:

Lord Marland of Odstock
Director

Ms Samantha Cohen CVO
Director

Company Registration No. 09132366

**COMMONWEALTH ENTERPRISE & INVESTMENT COUNCIL
UK LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

Company information

Commonwealth Enterprise & Investment Council is a private company limited by guarantee incorporated in England and Wales. The registered office is CWEIC, First Floor, 41-44 Great Queen Street, London, WC2B 5AD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office equipment	33% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

**COMMONWEALTH ENTERPRISE & INVESTMENT COUNCIL
UK LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in surplus or deficit.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**COMMONWEALTH ENTERPRISE & INVESTMENT COUNCIL
UK LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies (Continued)

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**COMMONWEALTH ENTERPRISE & INVESTMENT COUNCIL
UK LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Total	12	13
	<u> </u>	<u> </u>

**COMMONWEALTH ENTERPRISE & INVESTMENT COUNCIL
UK LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 JULY 2020

3	Tangible fixed assets	Plant and machinery etc	£
	Cost		
	At 1 August 2019	19,434	
	Additions	1,992	
	Disposals	(374)	
	At 31 July 2020	21,052	
	Depreciation and impairment		
	At 1 August 2019	13,316	
	Depreciation charged in the year	5,562	
	Eliminated in respect of disposals	(125)	
	At 31 July 2020	18,753	
	Carrying amount		
	At 31 July 2020	2,299	
	At 31 July 2019	6,118	
4	Fixed asset investments	2020	2019
		£	£
	Other investments other than loans	644,587	730,381

Fixed asset investments revalued

The company holds investments in listed and unlisted investments in the year. The unlisted investments have not been revalued as it would be difficult to get a value, cost £331,181 (2019: £235,000). These are in short term investments and the interest on the investments is received when the investment is withdrawn.

The listed investments, Lindsell Train Global Funds plc, have been revalued at market value as provided on a statement from the investment fund itself. The investment is valued at £313,406 (2019: £495,381) but the comparable historical cost of this investment is £268,105 (2019: £400,000).

**COMMONWEALTH ENTERPRISE & INVESTMENT COUNCIL
UK LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

4 Fixed asset investments (Continued)

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 August 2019	730,381
Additions	556,181
Valuation changes	(31,975)
Disposals	(610,000)
	<u>644,587</u>
At 31 July 2020	644,587
	<u>644,587</u>
Carrying amount	
At 31 July 2020	644,587
	<u>644,587</u>
At 31 July 2019	<u>730,381</u>

5 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Service charges due	27,001	190,905
Corporation tax recoverable	4,302	4,302
Other debtors	2,202	745
	<u>33,505</u>	<u>195,952</u>

6 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	19,748	35,508
Corporation tax	20,130	-
Other taxation and social security	5,416	8,459
Other creditors	465,847	487,885
	<u>511,141</u>	<u>531,852</u>

7 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

**COMMONWEALTH ENTERPRISE & INVESTMENT COUNCIL
UK LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 JULY 2020

8 Non-distributable profits reserve

	2020	2019
	£	£
At the beginning of the year	95,381	-
Non distributable profits in the year	(31,975)	95,381
At the end of the year	<u>63,406</u>	<u>95,381</u>

9 Operating lease commitments

Lessee

Commonwealth Enterprise and Investment Council have now moved to the Guildhall office. A 2 year lease was formally signed in May 2019.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2020	2019
	£	£
	<u>9,000</u>	<u>25,000</u>

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