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**BRITSKÁ OBCHODNÍ KOMORA
V ČESKÉ REPUBLICE
PRAGUE**

R E P O R T

ON THE AUDIT
OF FINANCIAL INFORMATION
AS AT 31 DECEMBER 2018



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C O N T E N T S

- **Independent Auditor's Report**

- **Balance Sheet as at 31.12.2018**

- **Income Statement for the period 01.01.2018 - 31.12.2018**

- **Cash Flow Statement for the period 01.01.2018 - 31.12.2018**

- **Notes to the Financial information**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of

**Britská obchodní komora v České republice
Chamber of Commerce
Registered Address: Na Florenci 2116/15, 110 00 Praha 1 – Nové Město
Chamber of Commerce Identification Number (IČ): 256 05 127**

Auditor's Opinion

We have audited the accompanying financial information of Britská obchodní komora v České republice (hereinafter also the "Chamber of Commerce") prepared in accordance with International Financial Reporting Standards, showing net assets total of 3.834 thds. CZK and a profit of 23 thds. CZK. These financial information comprise the balance sheet as at 31 December 2018, and the income statement, and statement of cash flows for the year then ended, and notes to the financial information, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial information gives a true and fair view of the financial position of Britská obchodní komora v České republice as at 31 December 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the financial information section of our report. We are independent of the Chamber of Commerce in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic 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.

Responsibilities of the Chamber of Commerce's Statutory Body (hereinafter also "Chamber of Commerce's statutory body") for the Financial information

Company's statutory body is responsible for the preparation and fair presentation of the financial information in accordance with International Financial Reporting Standards and for such internal control as the statutory body determines is necessary to enable the preparation of financial information that are free from material misstatement, whether due to fraud or error.

In preparing the financial information, the Chamber of Commerce's statutory body is responsible for assessing the Chamber of Commerce's ability to continue as a going concern, disclosing in the notes to the financial information, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chamber of Commerce's statutory body either intends to liquidate the Chamber of Commerce or to cease operations, or has no realistic alternative but to do so.



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Auditor's Responsibilities for the Audit of the Financial information

Our objectives are to obtain reasonable assurance about whether the financial information as a whole is 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 the above mentioned regulations 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 information.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Chamber of Commerce's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chamber of Commerce's statutory body in the notes to the financial information.
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Chamber of Commerce's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Chamber of Commerce to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial information, including the disclosures, and whether the financial information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chamber of Commerce's statutory body regarding, among other matters, the planned scope and timing of the audit and our significant audit findings, including any significant deficiencies identified in the internal controls.



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Limitation of use

This report is intended solely for the use by Britská obchodní komora v České republice in connection with Annual General Meeting and should not be used by (distributed to) other parties.

Grant Thornton Audit s.r.o.

Audit Firm

Praha 1, Jindřišská 16

Licence No. 085

Prague on 6th May 2019

Ing. Leoš Horváth
Auditor, Licence No. 2013
Managing Director

Ing. Václav Buriánek
Auditor, Licence No. 2312

Britská obchodní komora v České republice

Financial statements

Year ended 31 December 2018

(in thousands of Czech crowns "TCZK")

BALANCE SHEET	Note	2018 TCZK	2017 TCZK
FIXED ASSETS			
Tangible and intangible assets	4	48	74
		<u>48</u>	<u>74</u>
CURRENT ASSETS			
Debtors and other current assets	5	3 789	4 295
Cash at bank and in hand	6	2 159	2 245
		<u>5 948</u>	<u>6 540</u>
CREDITORS: amounts falling due within one year	7	2 162	2 803
Net current assets		<u>3 786</u>	<u>3 737</u>
NET ASSETS		<u>3 834</u>	<u>3 811</u>
Represented by:			
Retained surplus from prior years		3 811	3 768
Surplus for the year		23	43
		<u>3 834</u>	<u>3 811</u>

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Year ended 31 December 2018

(in thousands of Czech crowns "TCZK")

INCOME AND EXPENDITURE ACCOUNT	Note	2018 TCZK	2017 TCZK
INCOME			
Membership fees	8.1	4 767	4 842
UKTI Grant	8.1	4 070	4 439
Other operating income	8.1	407	245
Projects	8.2	3 934	3 677
Total Income		13 178	13 203
EXPENDITURE			
Office materials and supplies	8.3	(69)	(75)
Cost of services	8.3	(2 530)	(2 636)
Projects	8.3	(3 869)	(3 560)
Staff costs	8.3	(6 299)	(6 830)
Depreciation	8.3	(26)	(26)
Other expenses	8.3	(362)	(33)
Total Expenditure		(13 155)	(13 160)
SURPLUS FOR THE YEAR		23	43

The notes are an integral part of the financial statements.

- 6 -05- 2019

Date


Lukáš Sevčík
Chairman


Chris Garlick
Treasurer



Britská obchodní komora v České republice

Financial statements

Year ended 31 December 2018

(in thousands of Czech crowns "TCZK")

CASH FLOW STATEMENT	2018 TCZK	2017 TCZK
Surplus for the current year	23	43
Investment in fixed assets	0	0
Change in:		
Debtors and other current assets	506	(947)
Creditors	(641)	(42)
Depreciation	<u>26</u>	<u>26</u>
Operating cash flow	<u>(86)</u>	<u>(920)</u>
(Decrease) in cash balances	<u>(86)</u>	<u>(920)</u>
Cash at bank and in hand as at 1 January	2 245	3 165
Cash at bank and in hand as at 31 December	2 159	2 245

Britská obchodní komora v České republice

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Year ended 31 December 2018

(in thousands of Czech crowns "TCZK")

1. Description and principal activities

Establishment and description of the Chamber

Britská obchodní komora v České republice ("the Chamber") was incorporated on 29th August 1997 in accordance with the provisions in Section 19 (2) of Act No. 42/1980 on Foreign Economic Relations.

The Chamber was not incorporated to undertake business activities. It was formed in order to bring together businesses and individuals who are interested in developing economic and commercial relations between the Czech Republic and the United Kingdom of Great Britain and Northern Ireland ("United Kingdom").

The main Chamber activities are the development and promotion of all commercial, industrial and cultural relations between the Czech Republic and the United Kingdom.

The Chamber's Registered Office is at:

Britská obchodní komora v České republice

Florentinum, Na Florenci 15
110 00 Praha 1
Czech Republic

2. Significant accounting policies

The financial statements of the Chamber have been prepared in accordance with International Financial Reporting Standards (IFRS).

(a) Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at acquisition cost. Tangible fixed assets costing less than TCZK 40 and intangible fixed assets costing less than TCZK 60 are charged to the profit and loss account in the year that they were acquired.

Depreciation is provided on a "straight-line" basis: for office equipment over a 4 year period and for software over a 3 year period.

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Year ended 31 December 2018

(in thousands of Czech crowns "TCZK")

(b) Foreign Currency translation

Foreign currency translations are calculated using the exchange rates of the Czech National Bank valid at the date of transaction. During the year, exchange gains and losses are only recognised when realised at the time of settlement.

At the balance sheet date, foreign currency monetary assets and liabilities are translated at the Czech National Bank rate for that day. Unrealised foreign exchange gains and losses are recognised in the income and expenditure account.

(c) Membership fees

Membership fees are accounted for in the period to which they relate in terms of subject and time.

3. Related party transactions with Directors

In the year 2018 the related party transactions with the employers of Directors of the Chamber other than those (such as attendance at events, sponsorship and advertising) where they were treated in the same way as other members of the Chamber are listed below:

Vodafone Czech Republic, a.s. (Richard Stonavský) was paid 137 747.55 CZK for monthly mobile, fixed line and internet services.

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Financial statements

Year ended 31 December 2018

(in thousands of Czech crowns "TCZK")

4. Fixed assets

Cost	Office equipment and software TCZK
1 January 2018	300
Additions	0
Disposals	0
31 December 2018	<u>300</u>
Accumulated depreciation/amortisation	TCZK
1 January 2018	226
Charge for the year	26
Disposals	0
31 December 2018	<u>252</u>
Net book value	TCZK
1 January 2018	<u>74</u>
31 December 2018	<u>48</u>

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Financial statements

Year ended 31 December 2018

(in thousands of Czech crowns "TCZK")

5. Debtors	2018 TCZK	2017 TCZK
Trade debtors	151	288
Advances	719	718
Prepaid expenses	552	503
Tax authorities	185	165
Other	2 182	2 621
	<u>3 789</u>	<u>4 295</u>
	<u><u>3 789</u></u>	<u><u>4 295</u></u>
6. Cash and bank balances	2018 TCZK	2017 TCZK
Cash in hand	31	23
Cash in bank	2 128	2 222
	<u>2 159</u>	<u>2 245</u>
	<u><u>2 159</u></u>	<u><u>2 245</u></u>
7. Creditors falling due within one year	2018 TCZK	2017 TCZK
Trade creditors	36	166
Employees	0	501
Taxation	0	8
Accruals	317	348
Deferred income	1 544	1 613
Reserve for audit, unused holidays, bonuses and other	265	161
Other creditors	0	6
	<u>2 162</u>	<u>2 803</u>
	<u><u>2 162</u></u>	<u><u>2 803</u></u>

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Year ended 31 December 2018

(in thousands of Czech crowns "TCZK")

8. Detailed income and expenditure account

		2018 TCZK	2017 TCZK
8.1 Income			
Membership fees		4 767	4 842
OBNI Grant		4 070	4 439
Paid commercial services and other income		407	245
		<u>9 244</u>	<u>9 526</u>
8.2 Projects (net of related income)			
Communication	income	42	14
	expenditure	<u>(24)</u>	<u>(43)</u>
		18	(29)
Seminars + Education	income	298	128
	expenditure	<u>(144)</u>	<u>(45)</u>
		154	83
Events + Regions	income	2 904	3 103
	expenditure	<u>(3 257)</u>	<u>(2 995)</u>
		(353)	108
CSR including Diversity	income	685	263
	expenditure	<u>(385)</u>	<u>(265)</u>
		300	(2)
Other	income	5	169
	expenditure	<u>(59)</u>	<u>(212)</u>
		<u>(54)</u>	<u>(43)</u>
Total	income	3 934	3 677
	expenditure	<u>(3 869)</u>	<u>(3 560)</u>
		<u>65</u>	<u>117</u>

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(in thousands of Czech crowns "TCZK")

8.3 Expenditure	2018 TCZK	2017 TCZK
<i>Office materials and supplies</i>	(69)	(75)
<i>Cost of services</i>		
Rent	(1 429)	(1 489)
COBCOE membership	(25)	(51)
Telephone, fax and internet	(150)	(177)
Accountancy	(429)	(355)
Legal & Audit services	(99)	(106)
Travelling	(113)	(130)
Representation costs	(94)	(108)
IT services	(191)	(220)
	(2 530)	(2 636)
<i>Staff costs</i>		
Wages and salaries (including redundancy costs)	(4 676)	(5 118)
Social and health insurance	(1 623)	(1 712)
	(6 299)	(6 830)
<i>Depreciation / amortisation</i>	(26)	(26)
<i>Other expenses (including irrecoverable VAT)</i>		
OBNI Marketing	(17)	(10)
Bank charges	(26)	(13)
Office Equipment and Furniture	(22)	(13)
Taxation	0	180
Irrecoverable VAT	(174)	(116)
Sundry expenses	(123)	(61)
	(362)	(33)
Surplus for the year	23	43