
Greater Manchester Chamber of Commerce
(A company limited by guarantee)

Company Information

Directors

P Cusack - Chairman
J A Boardman - Immediate Past President
R Phillips - President
E E Holt - Vice President
C A Memmott OBE - Chief Executive

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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.

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 judgements and accounting estimates that are reasonable and prudent; and
- 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.

Principal activity

The Chamber is a company limited by guarantee and its main activities are those of a business representation body that represents the collective interests of business in Greater Manchester, provides high quality business services to our members and is active and influential in the city region's civic life, communities, education, arts and culture.

Directors' review of the year

Revenue for the year ended 31 March 2022 was £2,880k (2021: £2,621k) with an operating loss of £211k (2021: £179k). After deducting the cost of financing the defined pension scheme which closed in 2009, the loss for the financial year is £299k (2021: £261k). The pension liability for the closed pension scheme has decreased by a net £344k in the year to its current level of £3,414k. Included within Other Comprehensive Income was the actuarial gain of £316k which, together with the £299k loss, led to Total Comprehensive Income of £17k for the year.

The operating loss reflects the impact on the Chamber of the slow post pandemic economic recovery combined with the impacts of the ongoing war in Ukraine and the cost-of-living crisis. All of these matters heavily impacted the la

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Directors' report (continued)
For the year ended 31 March 2022

Directors' review of the year (continued)

The board has continued to take measures to manage the performance of the Chamber, including:

Taking advantage of government support in reducing business rates, emergency grant support and utilising the Job Retention Scheme;

Provoking the pandemic clause in the Elliott House lease, reducing rent costs;

Introduction of a four-day week for all employees to reflect new working patterns and reduce employee costs; and

Taking measures to cease all non-critical activities and capital expenditure.

Balance Sheet

Net assets, comprising capital and reserves, at 31 March 2022 are £10k (2021: £317k) before accounting for the impact of the closed pension scheme. After charging the liability on the closed pension scheme, calculated under FRS 102 of £3,414k (2021: £3,758k), this becomes a net n

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Directors' report (continued)
For the year ended 31 March 2022

Review of operations

2021/22 was a disappointing year from a financial performance perspective, with an operating loss of £211k which was £32k worse than the prior year. The loss primarily reflected the continuing impact of the pandemic, with the first reports of the new omicron variant reaching the UK coming towards the end of November 2021. This rapidly gathered momentum and hit revenues further in the last 4 months of the financial year. The government's Coronavirus Job Retention Scheme came to an end in September 2021 and in the 3 months prior to this the payments were tapered, and this contributed to a very challenging second half of the year. Revenue grew 10% on the previous year but remained 34% below pre-Covid levels (12 months ending 31 March 2020). It was impossible to cut costs at a rate that matched the reduction in income compared to the pre-pandemic level without seriously damaging service levels. Indirect costs increased by 16% as a result of the withdrawal of the Coronavirus Job Retention Scheme scheme but were 17% lower than for the year ended 2020. Brexit continued to have a major impact on the economy and on GMCC's international services, which are a key service and make a significant contribution to overall profitability. The third shock came at the end of the financial year, when Russia invaded the Ukraine. As the leading UK Chamber and one of Greater Manchester's "anchor institutions" it remained the objective of the Directors to balance economic sustainability with the need to provide the support that our members and customers required during a time of acute economic stress and help mitigate the damage to the city region economy.

The total comprehensive income for the year was £17k after an actuarial gain on the defined closed pension scheme of £316k (20/21 total comprehensive loss of £497k).

International services income grew 29% year on year but was 24% lower than 19/20. The continuing impact of Brexit was worse than the government and many forecasters anticipated, and documentation volumes reflected this. Exports were 14% below pre-Covid levels and approximately 20% below what many forecaster and analysts would have been reasonably expected in the absence of Brexit. Exports to the EU fell by 20% compared to pre-pandemic levels and fell by 6% to the rest of the world. Chamber Network documentation volumes fell by 26% compared to 2019/20. GMCC's volumes reflected this although changes in the sales mix (noticeably the sharp increase in ATA Carnets) and prices increases mitigated some of the impact on revenue. The new customs declaration service launched by UK Chambers in partnership with the British Chambers of Commerce

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Directors' report (continued)
For the year ended 31 March 2022

Review of operations (continued)

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Directors' report (continued)
For the year ended 31 March 2022

Review of operations (continued)

Financial control and management have been effective in a difficult year when the absolute priority has been cash management and cost control. The cash position at the year-end was £496k.

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Directors' report (continued)
For the year ended 31 March 2022

This report was approved by the board and signed on its behalf.

Clive Memmott

C A Memmott OBE - Chief Executive
Director

Date: 31 Mar 2023

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Independent auditors' report to the shareholders of Greater Manchester Chamber of Commerce

Opinion

We have audited the financial statements of Greater Manchester Chamber of Commerce (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 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 i i

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Independent auditors' report to the shareholders of Greater Manchester Chamber of Commerce (continued)

We have also considered the risk of fraud through management override of controls by:

- Testing the appropriateness of journal entries and other adjustments.
- Challenging assumptions made by management in their significant accounting estimates, and assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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31 Mar 2023

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Statement of comprehensive income
For the year ended 31 March 2022

| | 2022 | <i>As restated</i> |
|--|--------------------|--------------------|
| | £ | £ |
| Turnover | 2,879,985 | 2,620,674 |
| Cost of sales | (488,764) | (435,524) |
| Gross profit | 2,391,221 | 2,185,150 |
| Administrative expenses | (3,092,418) | (2,755,563) |
| Other operating income | 490,385 | 391,512 |
| Operating loss | (210,812) | (178,901) |
| Interest receivable and similar income | 7 | 215 |
| Interest payable and expenses | (10,165) | (5,735) |
| Interest payable and similar charges | (78,000) | (77,000) |
| Loss before tax | (298,970) | (261,421) |
| Loss for the financial year | (298,970) | (261,421) |
| Other comprehensive income for the year | | |
| Actuarial losses on defined benefit pension scheme | 316,000 | (236,000) |
| Other comprehensive income for the year | 316,000 | (236,000) |
| Total comprehensive income for the year | 17,030 | (497,421) |

The notes on pages 13 to 27 form part of these financial statements.

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Registered number: 5245944

Balance sheet
As at 31 March 2022

| | Note | 2022 £ | 2021 £ |
|---|------|--------------------|--------------------|
| Fixed assets | | | |
| Intangible assets | 4 | 37,952 | 53,038 |
| Tangible assets | 5 | 804,157 | 902,148 |
| Investments | 6 | 213,000 | 213,000 |
| | | <u>1,055,109</u> | <u>1,168,186</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 7 | 1,044,055 | 1,130,722 |
| Cash at bank and in hand | 8 | 557,065 | 538,050 |
| | | <u>1,601,120</u> | <u>1,668,772</u> |
| Creditors: amounts falling due within one year | 9 | (2,478,783) | (2,412,442) |
| Net current liabilities | | <u>(877,663)</u> | <u>(743,670)</u> |
| Total assets less current liabilities | | <u>177,446</u> | <u>424,516</u> |
| Creditors: amounts falling due after more than one year | 10 | (187,000) | (107,100) |
| Pension liability | 13 | (3,414,000) | (3,758,000) |
| Net liabilities | | <u>(3,423,554)</u> | <u>(3,440,584)</u> |
| Capital and reserves | | | |
| Revaluation reserve | | 213,000 | 213,000 |
| Profit and loss account | | (3,636,554) | (3,653,584) |
| | | <u>(3,423,554)</u> | <u>(3,440,584)</u> |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the

Clive Memmott

31 Mar 2023

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Notes to the financial statements
For the year ended 31 March 2022

2. Accounting policies (continued)

2.5 Tangible fixed assets

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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following basis:

| | |
|------------------------------|--|
| Freehold property | - Straight line over 5 years to residual value |
| Long-term leasehold property | - Over the life of the lease |
| Computer equipment | - Straight line over 5 years |

The assets' residual values, useful lives and depreciation methods Hiu B .1

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Notes to the financial statements
For the year ended 31 March 2022

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Notes to the financial statements
For the year ended 31 March 2022

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are

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Notes to the financial statements
For the year ended 31 March 2022

2. Accounting policies (continued)

2.16 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

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.

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Notes to the financial statements
For the year ended 31 March 2022

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Notes to the financial statements
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5. Tangible fixed assets

| | Freehold property £ | Long-term leasehold property £ | Computer equipment £ | Total £ |
|--------------------------|------------------------------------|---|-------------------------------------|--------------------|
| Cost or valuation | | | | |
| At 1 April 2021 | 422,212 | 572,631 | 481,810 | 1,476,653 |
| Additions | - | 11,524 | 9,482 | 21,006 |
| At 31 March 2022 | <u>422,212</u> | <u>584,155</u> | <u>491,292</u> | <u>1,497,659</u> |
| Depreciation | | | | |
| At 1 April 2021 | 519 | 208,139 | 365,847 | 574,505 |
| Charge for the year | 221 | 84,363 | 34,413 | 118,997 |
| At 31 March 2022 | <u>740</u> | <u>292,502</u> | <u>400,260</u> | <u>693,502</u> |
| Net book value | | | | |
| At 31 March 2022 | <u>421,472</u> | <u>291,653</u> | <u>91,032</u> | <u>804,157</u> |
| <i>At 31 March 2021</i> | <u>421,693</u> | <u>364,492</u> | <u>115,963</u> | <u>902,148</u> |

On 18 March 2019, a professional valuation of the freehold property was carried out by Lamb & Swift at the request of Santander in respect of obtaining bank loan funding, and increased the property valuation by £60,000. The historical cost of the Freehold property as at 31 March 2022 was £650,000.

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Notes to the financial statements
For the year ended 31 March 2022

6. Fixed asset investments

| | Investments in subsidiary £ |
|--------------------------------|--|
| Cost and net book value | |
| At 1 April 2021 | 213,000 |
| At 31 March 2022 | <u>213,000</u> |

7. Debtors

| | 2022 £ | <i>2021 £</i> |
|--------------------------------|-------------------|-------------------|
| Trade debtors | 634,271 | <i>596,904</i> |
| Other debtors | 7,505 | <i>24,317</i> |
| Prepayments and accrued income | 402,279 | <i>509,501</i> |

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Notes to the financial statements
For the year ended 31 March 2022

9. Creditors: Amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------|-----------|-----------|
| Bank loans | | |

%



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Notes to the financial statements
For the year ended 31 March 2022

11. Loans

Analysis of the maturity of loans is given below:

| | 2022 | <i>2021</i> |
|--|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year | | |
| Bank loans | 47,600 | <i>47,600</i> |
| Other loans | 22,500 | <i>-</i> |
| | 70,100 | <i>47,600</i> |
| Amounts falling due 1-2 years | | |
| Bank loans | 59,500 | <i>47,600</i> |
| Other loans | 30,000 | <i>-</i> |
| | 89,500 | <i>47,600</i> |
| Amounts falling due 2-5 years | | |
| Bank loans | - | <i>59,500</i> |
| Other loans | 97,500 | <i>-</i> |
| | 97,500 | <i>59,500</i> |
| | 257,100 | <i>154,700</i> |

12. Company limited by guarantee

The Company is incorporated under the Companies Act 1985 as a company limited by guarantee and not having share capital. In the event of winding up each member undertakes to contribute such an amount as may be required (not exceeding £2) to the Company's assets if it should be wound up while he/she is a member, or within one year after he/she ceases to be a member and of the costs, charges and expenses for winding up and for the adjustment of the rights of the contributions among themselves.

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Notes to the financial statements
For the year ended 31 March 2022

13. Pension commitments (continued)

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Notes to the financial statements
For the year ended 31 March 2022

13. Pension commitments (continued)

The amounts recognised in profit or loss are as follows:

| | 2022 | <i>2021</i> |
|------------------------|-----------------|-----------------|
| | £ | £ |
| Current service costs | (27,000) | <i>(23,000)</i> |
| Interest on obligation | | |

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Notes to the financial statements
For the year ended 31 March 2022 /m.



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