Registered number: 5245944

Greater Manchester Chamber of Commerce

(A company limited by guarantee)

Directors' report and financial statements

For the year ended 31 March 2022

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 Rt Hon Baroness B J Hughes W Jones OBE M Pike C Mancier M A Currie S L Blatch
Registered number	5245944
Registered office	Elliot House 151 Deansgate Manchester M3 3WD
Independent auditors	Hurst Accountants Limited Chartered Accountants & Statutory Auditors Lancashire Gate 21 Tiviot Dale Stockport Cheshire SK1 1TD

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

Contents

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 events and conferencing business, had a significant impact on membership sales, meetings and discretionary spend and, in conjunction with the impact of Brexit on export and import levels, reduced the demand for our export documentation services. Revenue was in line with the previous year if proceeds of £200k relating to a pandemic insurance claim were excluded, but remains significantly behind pre pandemic levels. Annual revenue in the last full financial year prior to the pandemic was £1,511k higher than in the current year, but the company delivered an operating loss that was only £128k higher.

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 liabilities position of £3,424k (2021: £3,441k).

Net current liabilities at the year-end are £878k (2021: £744k). Included in current liabilities is deferred income of £538k (2021: £799k) in relation to membership fees and other income received in advance of the period to which it relates. The release of these liabilities will not result in a cash outflow.

Going concern

The directors have prepared the financial statements on a going concern basis but believe that significant uncertainty exists in relation to the company's ability to satisfy its obligations as they fall due for a period of at least 12 months following the signature of these accounts.

The directors have made this assessment after a considering the company's financial position and cash flow forecasts for a period of 12 months following the date of signature of these financial statements.

The process the directors have undertaken has included preparing base case cash flow forecasts and then applying a range of downside sensitivities that they consider to be reasonably possible of occurring, either individually or in aggregate. The process has concluded that the company will require additional funding in the base case scenario. There are a number of mitigating actions that the directors could take to remedy this, some of which are in their control and others of which are not. Considering only those which are wholly within their control does not adequately address the funding deficit and therefore the directors have held discussions with a potential funding partner.

Whilst the discussions have been positive and agreement has been reached in principle, a loan agreement has yet to be drawn up and the funds have yet to be received. Given the significance of this loan to the going concern conclusion, the directors consider the provision of the loan to be a material uncertainty, and notwithstanding their conclusion that they have a reasonable expectation that the company will be able to satisfy its obligations for a period of at least 12 months from the date of signature of these accounts, are highlighting this uncertainty to users of the financial statements. The auditors have also highlighted this material uncertainty in their audit report via the inclusion of an emphasis of matter paragraph.

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 in 2020 had a reasonable year but volumes were well below the original forecasts. This service was introduced in response to the likely fall in trade documentation levels and the National Audit Office forecast of a huge rise in declarations to approximately 300m per annum following Brexit. However, the market is currently only about a third of the NAO forecast. One reason for this is the continuing delays to implement some of the plans to diverge from EU rules, due to a lack of resources e.g. EU exporters shipping goods into Britain without checks. At the end of March 2022, GMCC were the 6th largest provider of declarations in the network and confidently expect this to further improve because of technical expertise of our team. The increased complexity of international trade generally similarly provides growth opportunities for GMCC to expand these services based on the quality of both the team and the service.

Business confidence and consumer optimism was further dampened towards the end of the year when Russia invaded the Ukraine on 24 February 2022 and international markets reacted to the likely economic consequences of this appalling act of aggression. It was immediately apparent (the IMF and World Bank immediately cut their global growth forecasts) that this would cut short any economic rebound, as surging energy prices eroded consumer spending power and discouraged the already very poor levels of business investment and confidence.

The assumptions in the 21/22 budget were judged to be realistic by the Board and were based on forecasts of the leading domestic and international forecasters. However, the wave of external shocks described meant that revenue was 21% below the budgeted level whereas costs were only 7% favourable.

Review of operations (continued)

The biggest service impact in the year was to Chamber Space. The UK Conference and Meetings sector in 2021 was around 27% of the pre-pandemic level as Covid disproportionately hit the sector. Footfall in Manchester City Centre at the end of the year was still over 26% below 2019 and 7-9am prime commuter footfall was way below this level reflecting the challenge that all large cities faced. Some government restrictions were lifted at the end of January and the remaining ones ended on 24 February but there was no immediate impact on income. The government still asked the public to practice “safe and responsible behaviours” because of the Omicron wave, and indeed the behaviours of the public, employees and employers will take much longer to return to more normal levels. Chamber Space revenue more than doubled year on year but more significantly was 40% below 19/20. In reality the gap is bigger, as the new conferencing facility only opened in 2019 and the full year figure does not reflect the income running rate at the end of 19/20. The majority of costs associated with the service are fixed, and the continuing uncertainties associated with the pandemic meant there were very limited opportunities to mitigate these costs.

The Chamber Space brand remains well positioned in the small conference segment to benefit from the gradual return to more normal trading conditions and the release of pent-up demand for conferences, meetings and events. A substantial amount of the work of the prominent artist Ghislaine Howard is now permanently exhibited at Elliot House, and this drew the attention of leading cultural institutions like the Royal Society of Arts as well as attracting more visitors to the building. It remains our objective to differentiate our offer by creating a unique environment for business in the heart of the city.

The main impact on membership services was on new business levels (£115k below budget) whereas the overall retention level held up reasonably well (£45k favourable to budget). The year closed with the best new member performance (March - 56 new members; average fee 14% above the year-to-date average) since the pandemic began. Throughout the year enquiries from members looking for help and support in a very difficult economic environment continued to be heavy, and it was challenging to sell the wider commercial services and networking events that are core to our overall offer and profitability. GMCC closed the year with 4,088 members (down 4% on 2021) but continues to be the largest Chamber in the UK in terms of the number of members. To diversify activity during the pandemic, the membership team continued to deliver the Government’s flagship Kick Start scheme (creation of jobs for 16-24 years on universal credit by creating work placements) and the Skills for Growth contract in partnership with the GM Growth Hub to deliver the city region’s ambition to provide skills development support to 4,000 SME’s and 1,700 individuals. At 31 March 2022 as the Kick Start Scheme drew to a close, GMCC had delivered 485 job placements for young people and was regarded as one of the leading Gateway organisations. The agility of the membership team enabled us to redeploy recourses to successfully deliver both the Kick Start and the Skills for Growth schemes and deliver income in the year of £356k to help mitigate the impact of the pandemic on the core membership business.

The Chamber exists to represent the interests of business in Greater Manchester and the breadth of the policy and campaigning work in the year reflected the external shocks that created extreme economic volatility and uncertainty at global, national and regional levels. UK labour market conditions were unprecedented, with vacancies substantially outnumbering those looking for work despite the economic backdrop. The long standing Quarterly Economic Survey, along with our increasingly prominent labour market analysis, provided vital input to city region and national policy makers and is highly influential at the city region and wider northern level. The fast developing “cost of living/doing business” crisis meant that attention increasingly turned to this as the year progressed. The rapid and regular collection of accurate data and evidence from our large membership and customers, reflecting the immediacy of what was occurring in the economy and labour market, was vital as macro-economic forecasts lagged behind what was happening. The objective was “real time, all the time” evidence and data gathering, and then using this intelligence across a wide variety of audiences. This was particularly important at the Greater Manchester level, as it was clear the national policy solutions increasingly did not reflect the needs and best interests of the city region, the disproportionate impact that deteriorating economic conditions were having outside of the South East of the country or indeed the government’s objective to level up the economy.

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. The gap between performance and the original budget due to the circumstances described above put additional pressure on the Finance department which they responded well to. A replacement accounting system Business Central went live in April 2021 and despite a number of implementation issues, this is already bringing a number of important benefits to both the efficiency and accuracy of management accounting and financial and management reporting.

As reported last year, one important objective was to create a younger, more energetic management team more attuned to the needs of members along with a flatter overall structure to improve the speed and quality of decision making. The management team has been resilient and resourceful during a very difficult period and remains focussed on ensuring that the Chamber is best placed to take advantage of the gradual return to more normal trading conditions, to implement the changes required to adapt to new and emerging markets and returning to sustainable growth and profitability as soon as possible.

Directors

The directors who served during the year were:

P Cusack - Chairman
J A Boardman - Immediate Past President
R Phillips - President
E E Holt - Vice President
C A Memmott OBE - Chief Executive
Rt Hon Baroness B J Hughes
W Jones OBE
M Pike
C Mancier
M A Currie
S L Blatch

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Hurst Accountants Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

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 in the United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates that there is a material uncertainty related to the Company's ability to continue as a going concern. The directors have identified that the Company will require additional funding in the next 12 months. The directors have held discussions with a potential lending partner, and an agreement in principle has been reached but a loan agreement has yet to be drawn up. As stated in note 2.2, the directors consider the provision of this loan to be a material uncertainty, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included reviewing the Company's cashflow forecasts and performing sensitivity analysis on these forecasts,

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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.

Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report 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 Directors' report.

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 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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 1, 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 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 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 an Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector in which the company operates; the control environment and business performance including key drivers for directors' remuneration, bonus levels and performance targets.
- The outcome of enquiries of local management, including whether management was aware of any instances of non-compliance with laws and regulations, and whether management had knowledge of any actual, suspected, or alleged fraud.
- Supporting documentation relating to the Company's policies and procedures for:
  - Identifying, evaluating, and complying with laws and regulations
  - Detecting and responding to the risks of fraud
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- The outcome of discussions amongst the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- The legal and regulatory framework in which the Company operates, particularly those laws and regulations which have a direct effect on the financial statements, such as the Companies Act 2006, pensions and tax legislation, or which had a fundamental effect on the operations of the Company, including General Data Protection requirements, and Anti-bribery and Corruption.

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with the provisions of those relevant laws and regulations which have a direct effect on the financial statements.
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Evaluation and testing of the operating effectiveness of management’s controls designed to prevent and detect irregularities.
- Enquiring of management about any actual and potential litigation and claims.
- Performing analytical procedures to identify any unusual or unexpected relationships which may indicate risks of material misstatement due to fraud.

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.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of them. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.
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 Auditors' report.

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 an Auditors' 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Mike Jackson (Senior statutory auditor)
for and on behalf of
Hurst Accountants Limited
Chartered Accountants
Statutory Auditors
Lancashire Gate
21 Tiviot Dale
Stockport
Cheshire
SK1 1TD
Date: 31 Mar 2023

Statement of comprehensive income
For the year ended 31 March 2022

	2022	*As restated 2021*
	£	*£*
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.

Greater Manchester Chamber of Commerce

(A company limited by guarantee)
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*
			1,055,109		*1,168,186*
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*	
		1,601,120		*1,668,772*	
Creditors: amounts falling due within one year	9	**(2,478,783)**		*(2,412,442)*	
Net current liabilities			**(877,663)**		*(743,670)*
Total assets less current liabilities			**177,446**		*424,516*
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			**(3,423,554)**		*(3,440,584)*
Capital and reserves					
Revaluation reserve			**213,000**		*213,000*
Profit and loss account			**(3,636,554)**		*(3,653,584)*
			(3,423,554)		*(3,440,584)*

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 board and were signed on its behalf by:

Clive Memmott

C A Memmott OBE - Chief Executive
Director

Date: 31 Mar 2023

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

1. General information

Greater Manchester Chamber of Commerce is a private company limited by guarantee incorporated in England and Wales. The address of the registered office and principal place of business is Elliot House, 151 Deansgate, Manchester, M3 3WD. The company's registered number is 5245944.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006

Adjustments have been made to the Statement of Comprehensive Income for the year ended 31 March 2021. There is no overall change to the operating loss incurred by the company. Cost of sales have decreased by £2,154,821 and administrative expenses have increased by £2,154,821 to reflect a more accurate understanding of the accounts. As a result, gross profit has increased by £2,154,821.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have prepared the financial statements on a going concern basis but believe that significant uncertainty exists in relation to the company’s ability to satisfy its obligations as they fall due for a period of at least 12 months following the signature of these accounts.

The directors have made this assessment after a considering the company’s financial position and cash flow forecasts for a period of 12 months following the date of signature of these financial statements.

The process the directors have undertaken has included preparing base case cash flow forecasts and then applying a range of downside sensitivities that they consider to be reasonably possible of occurring, either individually or in aggregate. The process has concluded that the company will require additional funding in the base case scenario. There are a number of mitigating actions that the directors could take to remedy this, some of which are in their control and others of which are not. Considering only those which are wholly within their control does not adequately address the funding deficit and therefore the directors have held discussions with a potential funding partner.

Whilst the discussions have been positive and agreement has been reached in principle, a loan agreement has yet to be drawn up and the funds have yet to be received. Given the significance of this loan to the going concern conclusion, the directors consider the provision of the loan to be a material uncertainty, and notwithstanding their conclusion that they have a reasonable expectation that the company will be able to satisfy its obligations for a period of at least 12 months from the date of signature of these accounts, are highlighting this uncertainty to users of the financial statements. The auditors have also highlighted this material uncertainty in their audit report via the inclusion of an emphasis of matter paragraph.

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Membership Services

- Membership income is recognised over the membership period (normally 12 months). One twelfth of the membership fee is released to the Statement of comprehensive income in each month of membership.
- In the event of non payment, all revenue accrued to date is removed from the accounts in the month that it is concluded that payment will not be received.

Export Documentation

- Revenue is recognised in the month when the documentation is prepared and amounts invoiced to the customer.
- Direct costs associated with each document are charged to the Statement of comprehensive income in the same month as income is recognised.
- These costs cover both costs incurred and costs to complete.

Room Rental and Events

- Revenue is recognised in the month when the rooms and associated services are occupied by the customer.
- Direct costs associated with each booking are charged to the Statement of comprehensive income in the same month as income is recognised.

Publicly Funded Contracts

- Revenue is recognised over the period of the contract in line with the level of activity associated with its delivery.
- Direct costs associated with the contract delivery are written off to the Statement of comprehensive income in the month in which they arise.

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Other intangible fixed assets	-	7	years

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 are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at fair value less any accumulated depreciation.

Fair values are determined by the directors from market based evidence, with formal external valuations undertaken by professionally qualified valuers on a periodic basis.

Revaluation gains are recognised in the Statement of comprehensive income unless a gain reverses a revaluation decrease of the same asset previously recognised in profit or loss.

2.7 Investments

Investments in subsidiaries are measured at cost less any accumulated provision for impairment.

2.8 Debtors

Short term debtors are measured at transaction price, less any provision for impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Accounting policies (continued)

2.10 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Government grants

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

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 translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.14 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term to the first market rent review or over the lease term.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 1 April 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

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. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

a) the increase in net pension benefit liability arising from employee service during the period; and

b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2. Accounting policies (continued)

2.17 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

2.18 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.19 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

3. Employees

The average monthly number of employees, including directors, during the year was 47 *(2021 - 50)*.

4. Intangible assets

	Development expenditure £
Cost	
At 1 April 2021	**105,596**
At 31 March 2022	**105,596**
Amortisation	
At 1 April 2021	**52,558**
Charge for the year	**15,086**
At 31 March 2022	**67,644**
Net book value	
At 31 March 2022	**37,952**
At 31 March 2021	*53,038*

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	**422,212**	**584,155**	**491,292**	**1,497,659**
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	**740**	**292,502**	**400,260**	**693,502**
Net book value				
At 31 March 2022	**421,472**	**291,653**	**91,032**	**804,157**
At 31 March 2021	*421,693*	*364,492*	*115,963*	*902,148*

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.

6. Fixed asset investments

	Investments in subsidiary £
Cost and net book value	
At 1 April 2021	**213,000**
At 31 March 2022	**213,000**

7. Debtors

	2022 £	*2021 £*
Trade debtors	**634,271**	*596,904*
Other debtors	**7,505**	*24,317*
Prepayments and accrued income	**402,279**	*509,501*
	1,044,055	*1,130,722*

8. Cash and cash equivalents

	2022 £	*2021 £*
Cash at bank and in hand	**557,065**	*538,050*

9. Creditors: Amounts falling due within one year

	2022 £	*2021 £*
Bank loans	**47,600**	*47,600*
Other loans	**22,500**	*-*
Trade creditors	**300,346**	*142,783*
Amounts owed to group undertakings	**215,000**	*215,000*
Other taxation and social security	**98,865**	*419,887*
Other creditors	**111,601**	*15,382*
Accruals and deferred income	**1,682,871**	*1,571,790*
	2,478,783	*2,412,442*

The bank loan is secured by means of a fixed charge over the freehold property of the company.

Other loans relate to a Government Coronavirus Business Interruption Loan. The loan is secured by a debenture over all of the company's assets and undertakings. The loan will be repaid in equal installments of £7,500 commencing in September 2022. Interest is charged on the loan at 3.5% above the Bank of England base rate.

10. Creditors: Amounts falling due after more than one year

	2022 £	*2021 £*
Bank loans	**59,500**	*107,100*
Other loans	**127,500**	*-*
	187,000	*107,100*

The bank loan is secured by means of a fixed charge over the freehold property of the company.

Other loans relate to a Government Coronavirus Business Interruption Loan. The loan is secured by a debenture over all of the company's assets and undertakings. The loan will be repaid in equal installments of £7,500 commencing in September 2022. Interest is charged on the loan at 3.5% above the Bank of England base rate.

11. Loans

Analysis of the maturity of loans is given below:

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

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.

13. Pension commitments

Defined Benefit Pension Scheme

The Company operates a Defined benefit pension scheme.

The pension cost and provision for the year ended 31 March 2022 are based on the advice of a professionally qualified actuary. The most recent formal trustee valuation of the scheme is dated 31 March 2018.

The Greater Manchester Chamber and Chamberlink Staff Pension Scheme consists of one sponsoring employer being Greater Manchester Chamber of Commerce. Under an approved withdrawal arrangement following the reorganisation of Chamberlink Limited and Skills and Work Solutions Limited, Chamberlink Limited ceased to be a participating employer in the scheme from August 2009. In July 2009 Skills Solutions Limited formally became the guarantor for the Chamberlink Limited liabilities to the Scheme. The results below show the Greater Manchester Chamber of Commerce figures only.

The plan is a final salary pension arrangement where members receive benefits based on their final salary. The plan ceased all future service benefit accruals with effect from 31 March 2009 so all member benefits are now paid up. The assets of the scheme are held separately from those of the company, being invested with an independent investment manager. The plan also provides benefit to spouses and dependants in the event of a member's death before or after retirement.

Pension contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The company expects to pay contributions of £142,000 (*2021: £137,000*) to the plan during the next accounting period.

Reconciliation of present value of plan liabilities:

	2022 **£**	*2021* *£*
Reconciliation of present value of plan liabilities		
At the beginning of the year	**7,361,000**	*6,793,000*
Current service cost	**27,000**	*23,000*
Interest income	**154,000**	*148,000*
Actuarial gains/losses	**(462,000)**	*545,000*
Benefits paid	**(49,000)**	*(125,000)*
Administration expenses paid	**(27,000)**	*(23,000)*
At the end of the year	**7,004,000**	*7,361,000*

13. Pension commitments (continued)

Reconciliation of present value of plan assets:

	2022 £	*2021* *£*
At the beginning of the year	**3,603,000**	*3,243,000*
Interest income	**76,000**	*71,000*
Actuarial gains/losses	**(146,000)**	*309,000*
Contributions	**133,000**	*128,000*
Benefits paid	**(49,000)**	*(125,000)*
Administration expenses paid	**(27,000)**	*(23,000)*
At the end of the year	**3,590,000**	*3,603,000*

Composition of plan assets:

	2022 £	*2021* *£*
Equities	**2,273,000**	*2,371,000*
Bonds	**1,169,000**	*1,104,000*
Cash	**86,000**	*55,000*
Property fund	**62,000**	*73,000*
Total plan assets	**3,590,000**	*3,603,000*

	2022 £	*2021* *£*
Fair value of plan assets	**3,590,000**	*3,603,000*
Present value of plan liabilities	**(7,004,000)**	*(7,361,000)*
Net pension scheme liability	**(3,414,000)**	*(3,758,000)*

13. Pension commitments (continued)

The amounts recognised in profit or loss are as follows:

	2022	*2021*
	£	*£*
Current service costs	**(27,000)**	*(23,000)*
Interest on obligation	**(154,000)**	*(148,000)*
Interest income on plan assets	**76,000**	*71,000*
Total	**(105,000)**	*(100,000)*

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2022	*2021*
	%	*%*
Discount rate	**2.60**	*2.10*
Inflation assumption - RPI	**3.65**	*3.35*
Inflation assumption - CPI	**3.15**	*2.85*
Rate of increase in pension payments, split:		
- Inflation (RPI) linked up to 5% pa	**3.55**	*3.30*
- Inflation (RPI) linked up to 2.5% pa	**2.35**	*2.30*
Mortality rates		
- for a male aged 65 now	**21.8 years**	*21.5 years*
- at 65 for a male aged 45 now	**22.8 years**	*22.5 years*
- for a female aged 65 now	**24.2 years**	*23.5 years*
- at 65 for a female member aged 45 now	**25.3 years**	*24.7 years*

Defined Contribution Pension Scheme

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions totalling £16,285 *(2021: £14,475)* were payable to the fund at the balance sheet date and included in creditors.

14. Guarantees and commitments

The company has operating lease commitments totalling £6,014,582 *(2021: £5,653,661)* at the balance sheet date.

Signable

Issuer	HURST Accountants
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Parties involved with this document

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Fri, 31st Mar 2023 12:23:32 BST	Clive Memmott - Signer (d5305f8a784b47ef60ad7c69ec9e721f)
Fri, 31st Mar 2023 13:07:24 BST	Mike Jackson - Signer (820b5ff385a87c66ef6030a4e9e45429)
Fri, 31st Mar 2023 13:07:24 BST	Joanne flynn - Copied In (929c777049998769f5e78ca5b348d15f)

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Date	Action
Fri, 31st Mar 2023 13:07:24 BST	The envelope has been signed by all parties. (185.20.130.155)
Fri, 31st Mar 2023 13:07:24 BST	Sent a copy of the envelope to Joanne flynn (joanne.flynn@hurst.co.uk). (185.20.130.155)
Fri, 31st Mar 2023 13:07:24 BST	Mike Jackson signed the envelope. (185.20.130.155)
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Fri, 31st Mar 2023 12:58:31 BST	Clive Memmott opened the document email. (172.224.226.21)
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Fri, 31st Mar 2023 12:23:32 BST	Sent the envelope to Mike Jackson (michael.jackson@hurst.co.uk) for signing. (167.98.211.28)
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Fri, 31st Mar 2023 12:18:25 BST	Document emailed to Clive.Memmott@gmchamber.co.uk (35.177.209.111)
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