

COMPANY REGISTRATION NUMBER: 05001675

pro-manchester Limited
Financial Statements
For the Year Ended
31 March 2022

BEEVER AND STRUTHERS

Chartered accountants & statutory auditor

St. George's House
215 - 219 Chester Road
Manchester
M15 4JE

pro-manchester Limited

Financial Statements

Year Ended 31 March 2022

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pro-manchester Limited

Directors' Report

Year Ended 31 March 2022

The directors present their report and the financial statements of the company for the year ended 31 March 2022.

Incorporation

pro-manchester were incorporated and commenced trading on 22 December 2003.

Directors

The directors who served the company during the year were as follows:

I J Riley
S J Booth (Chief Executive)
S R Cox
J A Cree
R Kenyon
A M Loveday
N McCormick
A J Morrow
N M Rose
D Simpson
S A Williams
T Ali (Appointed 24 March 2022)
J L Hazlehurst (Resigned 23 November 2021)

Directors' Indemnity Provisions

The company has provided an indemnity for its directors and the company secretary, which is qualifying third party indemnity provision for the purposes of the Companies Act 2006. This was in force during the financial period and also at the date of approval of these financial statements.

pro-manchester Limited

Directors' Report *(continued)*

Year Ended 31 March 2022

Business Review

pro-manchester is the largest business development organisation in the Northwest. We represent the business community across the region and support growth and development to promote Manchester (and the north of England generally) as a place to do business.

In the financial year 2021/22 revenue increased to £574,567 compared to £503,997 in the prior year with a profit of £103,397 compared to £106,557 the prior year.

Our revenue is predominantly generated from three main income sources: members' subscriptions, events and sponsorship. With the relaxing of restrictions and the opening up of physical events for a proportion of the year, the events revenue increased significantly to £249k compared to £114k the prior year. Sponsorship however reduced from £70k to £14k following the end of the SME Club sponsorship and membership is down to £299k compared to £316k in the prior year. Although membership revenue has slightly reduced this year, membership numbers are on the rise. The reduced revenue is due to a significantly lower brought forward balance than in the prior year. We did also receive £3.6k in Government support in the form of coronavirus job retention scheme and a £16.5k covid relief grant from Manchester City Council.

Since March 20 we have been looking to exit our lease early. The negotiations with the landlord have seen us agree an early exit in May 22.

The pro-manchester Trailblazing Tech conference hosted in Jul 21 was the first of our physical events since the start of the COVID pandemic. Held in line with the current coronavirus guidance, the event was hosted as a hybrid event with limited physical capacity and social distancing as well as a virtual ticket offer. There was a clear appetite to continue where possible to host physical events. The Future pro-manchester summer social and the pro-manchester Summer Party each welcomed over 100 in attendance. This trend continued for the remainder of the year with 300 attendees welcomed at the Annual Dinner in November and 130 at the Health Tech Conference in December. Alas this was short lived as a rise in infection rates at the end of 2021 brought restrictions and a final lockdown back in place throughout January. Our Green Tech conference was therefore held virtually. As restrictions lifted again for the final time at the end of January 2022 our Made In Manchester Awards and Corporate Finance Lunch welcomed close to 1000 attendees, the likes of which we have not seen before. It was clear that businesses were ready to get out and meet up again.

With physical events back in full swing it was time to recruit again. In early January 2022 we welcomed Rachel Tetlow as Events and Programmes Manager and in March we welcomed Dominique Dempsey as Membership and Sponsorship Manger and Michael Kenny and Richard Moss as Events and Programmes Managers. Ellie Day, who had originally joined us as a work experience student back in June 2021 and had continued to work with us part time throughout the year will be joining the team as a full time member in June 2022 once she has completed her degree in Events Management. It is wonderful to have the team back to full strength and we would like to say a big thank you to the entire team for their continued hard work and enthusiasm for the organisation.

All programme activity had to be scaled back during covid, but we are pleased to say it is now beginning to pick up with the new managers in place. The sector group programmes are creative digital and media, healthcare, innovation, regeneration and property, sports industry, green economy, hospitality, retail and e-commerce, transport & infrastructure, fintech and financial & professional services

The equality, diversity and inclusivity programme focuses on helping the Northwest business community, change perceptions, breakdown barriers and challenge non-EDI behaviour in a respectful and constructive way.

The Future pro-manchester programme continues to support and develop the younger talent in Manchester. A series of online activity throughout the year was designed to develop softer skills and facilitate networking amongst peers.

In summary, following 2 challenging years due to Covid, through good management and support we have emerged the other side with a much stronger healthier business, financially secure with a strong positive balance sheet.

pro-manchester Limited

Directors' Report *(continued)*

Year Ended 31 March 2022

We would also like to take the opportunity to thank the Board, our members and committee members for their contribution and support throughout the year and to date. We could not provide the rich content and quality of events without their continued support.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the profit or loss of the company for that period.

pro-manchester Limited

Directors' Report *(continued)*

Year Ended 31 March 2022

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on7/9/22..... and signed on behalf of the board by:



S J Booth (Chief Executive)
Director

Registered office:
Centurion House
129 Deansgate
Manchester
M3 3WR

pro-manchester Limited

Independent Auditor's Report to the Members of pro-manchester Limited

Year Ended 31 March 2022

Opinion

We have audited the financial statements of pro-manchester Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of income and retained earnings, statement of financial position 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

pro-manchester Limited

Independent Auditor's Report to the Members of pro-manchester Limited *(continued)*

Year Ended 31 March 2022

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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.

pro-manchester Limited

Independent Auditor's Report to the Members of pro-manchester Limited *(continued)*

Year Ended 31 March 2022

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, 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.

pro-manchester Limited

Independent Auditor's Report to the Members of pro-manchester Limited *(continued)*

Year Ended 31 March 2022

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

To assist with identifying and assessing risks associated with material misstatements, including fraud and non compliance of laws and regulations, we carried out the following procedures:

- Obtained an understanding of the nature and sector of the Company along with reviewing the financial performance.
- We communicated the laws and regulations with the audit team to ensure that they were alert of any indications which would highlight any non-compliance during the audit
- Matters were also discussed with the Director during the planning process and throughout the audit fieldwork in relation to any cases of fraud or non compliance of laws and regulations which may have taken place during the year
- Discussed and obtained an understanding on the procedures which have been put in place in relation to fraud.
- Discussed and obtained an understanding in relation to the process for journals being posted into the finance system
- Reviewed a sample of journals posted throughout the year to ensure that management override hadn't taken place.
- Discussed the accounting estimates and performed expectation calculations such as recalculating the depreciation charge for the year.

There are inherent limitations in the audit procedures described above. We did not identify any such irregularities however as with any audit, there remained a higher risk of non-detection of irregularities due to fraud, as these may involve deliberate concealment, collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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.

pro-manchester Limited

Independent Auditor's Report to the Members of pro-manchester Limited *(continued)*

Year Ended 31 March 2022

- 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company'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 statements 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Iain Round (Senior Statutory Auditor)

For and on behalf of
Beever and Struthers
Chartered accountants & statutory auditor
St. George's House
215 - 219 Chester Road
Manchester
M15 4JE

8/9/2022

pro-manchester Limited

Statement of Income and Retained Earnings

Year Ended 31 March 2022

	Note	2022 £	2021 £
Turnover		574,567	503,997
Cost of sales		(104,433)	(33,034)
Gross profit		<u>470,134</u>	<u>470,963</u>
Administrative expenses		(370,346)	(397,702)
Other operating income		3,609	33,522
Operating profit		<u>103,397</u>	<u>106,783</u>
Profit before taxation		<u>103,397</u>	<u>106,783</u>
Tax on profit		—	(226)
Profit for the financial year and total comprehensive income		<u>103,397</u>	<u>106,557</u>
Retained losses at the start of the year		<u>(132,078)</u>	<u>(238,635)</u>
Retained losses at the end of the year		<u>(28,681)</u>	<u>(132,078)</u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 19 form part of these financial statements.

pro-manchester Limited

Statement of Financial Position

31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	5	3,468	1,955
Current assets			
Debtors	6	305,151	206,477
Cash at bank and in hand		<u>323,775</u>	<u>258,038</u>
		628,926	464,515
Creditors: amounts falling due within one year	7	<u>514,318</u>	<u>430,124</u>
Net current assets		<u>114,608</u>	<u>34,391</u>
Total assets less current liabilities		<u>118,076</u>	<u>36,346</u>
Creditors: amounts falling due after more than one year	8	<u>—</u>	<u>21,667</u>
Net assets		<u>118,076</u>	<u>14,679</u>
Capital and reserves			
Other reserves		146,757	146,757
Profit and loss account		<u>(28,681)</u>	<u>(132,078)</u>
Shareholders funds		<u>118,076</u>	<u>14,679</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 31/3/22 and are signed on behalf of the board by:



S J Booth (Chief Executive)
Director

Company registration number: 05001675

The notes on pages 12 to 19 form part of these financial statements.

pro-manchester Limited

Notes to the Financial Statements

Year Ended 31 March 2022

1. General Information

pro-manchester Limited is a private company limited by guarantee and does not have share capital. The guarantors at 31 March 2021 are the members. Their liability in respect of the guarantee as set out in the Memorandum of Association is limited to £1 per guarantor.

pro-manchester Limited is incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page. The principal activity of the company continues to be to promote Manchester as the UK's pre-eminent regional centre for financial, professional and business services and a prominent European location in the global market place.

This is achieved through:

- providing effective, robust and business oriented multi-disciplinary networking events;
- developing links with businesses in specific identified growth sectors;
- developing productive and dynamic partnerships with Manchester and North West organisations that will generate business opportunities; and
- developing partnerships with specific identified leading international financial and professional centres that will generate business opportunities.

2. Statement of Compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting Policies

Basis of Preparation

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

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

pro-manchester Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2022

3. Accounting Policies *(continued)*

Going Concern

The Directors have continued to adopt the going concern basis in preparing these financial statements after assessing the financial forecasts of the company for a period of 12 months from the date of approval of these financial statements and considering a prudent base case as a result of the COVID-19 pandemic and its impact on both the UK events industry and the wider economy.

pro-manchester is a not-for-profit organisation. Our revenue is generated from three main income sources: members' subscriptions, events and sponsorship.

We host a wide and varied events programme of over 150 events each year, attracting over 10,000 delegates. Our key profitable events include The Made in Manchester Awards (MIMA), The Annual Dinner, and Conferences. We provide business lunches tailored to meet the needs of our sector group programme and, more recently, a wide variety of online events.

Our wide and varied programme of activity means we have a number of different sponsorship opportunities. With over 150 events attracting 10,000 delegates and multiple mailing lists, there are sponsorship and advertising opportunities to suit all budgets.

Since the Covid-19 pandemic meant that physical events were cancelled it is good to be able to host physical events again. Our base case assumes physical events continue throughout 2022/23 but still at a reduced level prior to the pandemic.

In assessing the going concern basis of preparation for the financial statements the Directors have carried out a robust assessment of the principal risks and uncertainties facing the Company, which could impact the business model, focussing, specifically on:

- The Company's current financial position and prospects;
- The Company's ability to maintain its liquidity position given the ongoing reduced impact of COVID-19 as businesses start to recover.

In assessing the Going Concern assumption for these financial statements, the Directors have prepared cash flow and profit and loss forecasts. Cash is monitored on a monthly basis and we are able to forecast events for 2022/23 based on the increasing attendance in 2021, including the cash balances.

The base case cash flow forecasts assumes the continuation of physical events but still at a reduced level compared to pre-Covid, with revenues generated from membership and events income, sponsorship and ticket sales to non-members. We assume:

- Some increases to the current cost base, with the introduction of two additional members of the team starting in Jan 2022 and Jun 2022;
- membership subscriptions are paid on the same basis as experienced in previous years, factoring in resignations at 20%, which is reduced from last year following a significant reduction in resignation over the last few months;
- Increase in new members in line with current levels over the last 5 months; and

The base case cashflows demonstrate that sufficient cash resources exist through to the end of March 2023 and the board are confident that there are sufficient cash reserves for a period of at least 12 months from the date of signing. However, due to the inherent uncertainties associated with forecasting at this current time the directors have identified those factors outside of their control that could result in liquidity challenges over that period. These include increased membership resignations and members not paying their subscriptions.

In order to address those inherent uncertainties, the directors have identified further mitigating actions that could be actioned if necessary. Those include cancelled planned salary increases, hold on recruitment,

pro-manchester Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2022

3. Accounting Policies *(continued)*

reduction to the team and directors' salary sacrifices.

In addition, pro-manchester is currently discussing with its landlord to reduce its establishment costs going forward.

Following this detailed exercise and considering the results of the base case forecast and sensitivities the directors consider that sufficient liquidity exists for a period of at least 12 months from the date of the approval of these financial statements.

As such the directors have concluded that it is appropriate to continue to adopt the going concern basis in preparing these financial statements.

Judgements and Key Sources of Estimation Uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company either as a lessor or as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of an asset.

Other key sources of estimation uncertainty:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and many vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

pro-manchester Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2022

3. Accounting Policies *(continued)*

Revenue Recognition

Revenue represents income from subscriptions, functions and sponsorship, net of VAT where applicable and is recognised when it is earned in the period.

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 value added tax and other sales taxes.

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be reliably measured;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the cost incurred and the costs to complete the contract can be measured reliably

Current and Deferred Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Operating Leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

pro-manchester Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2022

3. Accounting Policies *(continued)*

Tangible 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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Office equipment	-	20% straight line
Computer equipment	-	50% straight line
Computer software	-	33% - 55% straight line

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 proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Government Grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

pro-manchester Limited

Notes to the Financial Statements (continued)

Year Ended 31 March 2022

3. Accounting Policies (continued)

Financial Instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

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

For financial assets that are measured at cost less impairment, the impairment loss is measured as the difference between an assets; 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 reporting date.

Defined Contribution Plans

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 statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

4. Employee Numbers

The average number of persons employed by the company during the year amounted to 6 (2021: 6).

5. Tangible Assets

	Office equipment £	Computer equipment £	Computer software £	Total £
Cost				
At 1 April 2021	25,861	11,087	21,001	57,949
Additions	—	4,073	—	4,073
Disposals	(2,240)	(1,747)	—	(3,987)
At 31 March 2022	<u>23,621</u>	<u>13,413</u>	<u>21,001</u>	<u>58,035</u>
Depreciation				
At 1 April 2021	25,861	10,714	19,419	55,994
Charge for the year	—	979	1,582	2,561
Disposals	(2,240)	(1,748)	—	(3,988)
At 31 March 2022	<u>23,621</u>	<u>9,945</u>	<u>21,001</u>	<u>54,567</u>
Carrying amount				
At 31 March 2022	—	3,468	—	3,468
At 31 March 2021	—	373	1,582	1,955

pro-manchester Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2022

6. Debtors

	2022	2021
	£	£
Trade debtors	234,957	178,361
Other debtors	70,194	28,116
	<u>305,151</u>	<u>206,477</u>

7. Creditors: amounts falling due within one year

	2022	2021
	£	£
Loans	—	3,333
Trade creditors	138,966	75,335
Corporation tax	—	814
Social security and other taxes	46,611	43,282
Other creditors	328,741	307,360
	<u>514,318</u>	<u>430,124</u>

8. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Loans	—	21,667
	<u>—</u>	<u>21,667</u>

A bounce back loan of £25,000 was received from Barclays in the 20/21 year. The loan was repaid in full in the current financial year.

9. Operating Leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Not later than 1 year	42,639	38,196
Later than 1 year and not later than 5 years	13,163	13,802
	<u>55,802</u>	<u>51,998</u>

10. Related Party Transactions

In addition to the services provided to pro-manchester Limited, all of the non-executive directors are employed by other companies, none of whom are deemed to be related to the company. During the current year and the prior year pro-manchester Limited received subscription income from these companies which was received on an arm's length basis.

pro-manchester Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2022

11. Controlling Party

There are no individuals or entities that control the company.

pro-manchester Limited

Management Information

Year Ended 31 March 2022

The Following Pages Do Not Form Part of the Financial Statements.

pro-manchester Limited

Detailed Income Statement

Year Ended 31 March 2022

	2022	2021
	£	£
Turnover		
Sales	574,567	503,997
Cost of sales		
Direct costs	104,433	33,034
Gross profit	<u>470,134</u>	<u>470,963</u>
Overheads		
Administrative expenses	370,346	397,702
Other operating income	3,609	33,522
Operating profit	<u>103,397</u>	<u>106,783</u>
Profit before taxation	<u><u>103,397</u></u>	<u><u>106,783</u></u>

pro-manchester Limited

Notes to the Detailed Income Statement

Year Ended 31 March 2022

	2022	2021
	£	£
Administrative expenses		
Directors salaries	—	157,788
Wages and salaries	232,527	83,517
Staff national insurance contributions	21,471	19,822
Staff pension contributions - defined contribution	6,331	6,694
Rent	9,387	35,500
Rent rates and water	15,646	16,945
Insurance	5,194	5,223
Repairs and maintenance (allowable)	11,531	9,039
Cleaning costs	1,437	37
Travel and subsistence	2,239	194
Telephone	3,617	2,589
Office expenses	8,929	9,073
Printing postage and stationery	1,831	1,303
Staff training	113	1,350
Other staff related expenses	2,792	—
Sundry expenses	2,893	1,921
Advertising	14,200	10,395
Entertaining	100	—
Legal and professional fees (allowable)	4,100	6,671
Accountancy fees	—	7,448
Auditors remuneration	8,042	—
Depreciation of tangible assets	2,561	6,937
Provision for doubtful debts	12,150	13,746
Bank charges	3,255	1,510
	<u>370,346</u>	<u>397,702</u>
Other operating income		
Government grants recognised directly in income	<u>3,609</u>	<u>33,522</u>