

Manchester Society of Chartered Accountants



REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

GOVERNANCE

Manchester Society of Chartered Accountants (MSCA) was established on 16 February 1871 and is one of the four founding societies of the Institute of Chartered Accountants in England and Wales (ICAEW). It is an unincorporated association and a district society of ICAEW which may also be described as 'The Society', 'The District Society', 'Manchester District Society' and 'ICAEW Manchester'.

The membership at 31 December 2020 was 5,715 (2019: 5,581). There are also 870 (2019: 762) students in training in the area who are members of Manchester Chartered Students Society (MCASS). As in previous years, these membership figures and indeed this report and accounts include the activities, members and finances of the Bolton Society of Chartered Accountants which was established in 1951 as a branch society of MSCA.

All members of the ICAEW who live or work in the area of MSCA (including Bolton) are eligible to be members of ICAEW Manchester without payment of any further subscription.

Any other member of the ICAEW who does not satisfy this geographical restriction may become a member of ICAEW Manchester at the discretion of the Society's Committee.

The Committee members who served during 2020 were as follows:

Julie Radcliffe	President to November 2019
Mark Blakemore	President from November 2019
Jon Scopes	Deputy President from November 2019
Yvonne Rennison- Stone	Vice President from November 2019 Hon Secretary to May 2020
Anna Hardy-Watmough	Hon Secretary from May 2020
Susan Jee	Hon Treasurer to May 2020
Alan Clarke	
Michael Colin	Hon Treasurer from May 2020
Jill Crawley	
Colin Gillespie	
Alan Hyams	ICAEW Council Member
Michael Jayson	
Charlene Lancaster	
Kevin Lucas	
Martin Robinson	
Holly Szoke	MYCAG representative
Dale Thorpe	
Carol Walton	
Anthony Woodings	ICAEW Council Member

PRESIDENT'S REVIEW OF THE YEAR

Despite the challenges faced by the Covid-19 pandemic, 2020 has been a successful year for our District Society. We have continued to add value to our members and other stakeholders by focusing on our core strategic pillars of leadership, education and community. In addition, we re-engineered our engagement strategy, moving from physical events to online delivery with great success. This report sets out some key highlights from the year.

We continued to demonstrate leadership and commitment to the communities we serve and live in through our membership of the Greater Manchester Representatives Body Group. This group consists of the Manchester Metro Mayor (Andy Burnham) and representatives from Manchester Chamber of Commerce, CBI, FSB, IOD, Make UK, pro.manchester, Hoteliers Association, Manchester Combined Authority, NW Business leadership Team and Manchester Local Enterprise Partnership.

During the pandemic the group has met every two weeks to discuss and share insight to assist the GM Combined Authority to develop strategic plans and actions to improve the lives of all GM stakeholders. In October 2020 the group released a joint statement detailing concerns relating to tiered lockdown and how businesses would be effected. The statement received widespread local and national interest, including coverage in the Financial Times. Membership of this forum has given ICAEW members a voice in the development of local policy and an opportunity to promote the interests of our members throughout GM.

Our relationship with Manchester Metropolitan University was further strengthened during the year. In the lead up to our 150th year anniversary on 16 February 2021, we successfully supported an MMU post graduate student to prepare a dissertation focused on the future of audit. This initiative will be continued in 2021 as we look to build a legacy of academic research on topics of importance to ICAEW Manchester members, whilst supporting our objective to promote education. In addition, we have joined forces with MMU's Faculty of Business and Law to deliver a number of events exploring digital working and sustainability. This platform will be further developed in 2021.

The importance of Equality, Diversity and Inclusion was recognized by the appointment of Yvonne Rennison-Stone as our Committee EDI champion. In addition, EDI was made a fixed agenda item at all Committee meetings.

Prior to the first lockdown on 23 March 2020 we had a packed diary of physical networking and business events and courses running throughout Greater Manchester and the NW region. Following on from the Prime Minister's lockdown announcement all physical events and engagements were either cancelled or transferred online.

Despite the challenge, the District Society together with the ICAEW regional team, showed great agility to devise a relevant and engaging calendar of networking, insight meetings, technical updates and social events for members. At the time we simply had no idea how members would react, and many were concerned that engagement levels would fall. Thankfully this was not the case and over time member engagement has increased.

During 2020 ICAEW Manchester held 23 GM specific events and delivered 62 regional events together with our fellow North West District Societies. In total 1,270 people have attended the 85 events during the year. In addition our members attended ICAEW organised events and others run by our fellow regional District Societies.

A full list of North West events is available on the ICAEW website or from our Regional Executive. Below is a list of some of the key events held during the year:

- We continued with an on-line version of the Newly Qualified Ceremony to welcome newly qualified members from around the North West Region and were joined by ICAEW President David Matthews, keynote speaker Ali Qasim and CABA CEO Dr Cristian Holmes.
- We ran an on-line celebratory virtual event for Professional and Advanced stage prize-winners within the ICAEW Manchester area.
- The Sole Practitioners' Conference ran as a virtual event over a week of lunchtime sessions which engaged with over 240 members from around the country.
- Collaboration with Manchester Met University and the Chartered Bankers Institute to deliver a series of on-line events with topics ranging from green finance to strengthening professional relationships.
- Oxford economic update discussing the impact of Covid-19 and Brexit with panel of experts.
- A series of "Insight Group" meetings for the Legal, Tourism and Hospitality and Charity sectors.

As we closed the year, we turned our attention to the future strategic direction of our District Society, its organizational structure and relationship with ICAEW; and developing our plans for a year of celebration following the District Society's 150th anniversary on 16 February 2021. Work on these initiatives will continue throughout 2021 and members will be consulted and advised of progress as plans develop.

Whilst 2020 will forever be remembered for the Covid-19 pandemic, ICAEW Manchester has throughout the period demonstrated its resilience and ability to adapt. The District Society is well placed to continue supporting its members in the years to come under the strategic pillars of leadership, education and community. This would not be possible without the hard work and dedication of my fellow office holders, the District Society Committee and our ICAEW regional team of Justin Kyriakou (Regional Director) and Clare Parisi (Regional Executive) for which I am very grateful.

TREASURER'S REPORT

No treasurer's report this year would be complete without two key elements. The first is to record the gratitude we owe to Susan Jee for her very many years of service on the Committee and for far longer than she wished, as an extremely diligent and effective Treasurer in times of considerable Society activity. I would especially thank Susan for the thorough notes and assistance she gave me in the handover, so typical of her professionalism and thoroughness.

Secondly, in case it hasn't been noticed, the activities of 2020 have been drastically curtailed by Covid-19 so that comparison with the previous year are not truly meaningful.

Whilst the activities in the current year have increased in both breadth and depth, they have mainly been virtual activities with minimal direct cost. As mentioned in the President's Review, the impact has caused significant thought about the role of the Society in the Greater Manchester professional and business communities and the future direction will receive the same careful consideration of the financial impact as well as our strategic contributions.

In the meantime, the financial strength of the Society remains robust almost unchanged from 2019 and the Committee reiterates its commitment that, as a not-for-profit organisation we will ensure that any surpluses we have or will generate are used for the benefit of members.

STATEMENT OF RESPONSIBILITIES

MSCA's rules require financial statements to be prepared for each financial year which give a true and fair view of its state of affairs at the end of the year and of its income and expenditure for the year.

In preparing these statements the Committee have due regard to:

- selecting suitable accounting policies and applying them consistently
- making judgements and estimates that are reasonable and prudent
- observing applicable accounting standards
- preparing the financial statements on a going concern basis

The Committee is responsible also for keeping proper accounting records which disclose with reasonable accuracy the financial position of ICAEW Manchester and for safeguarding its assets. In the discharge of this responsibility, we are assisted by the Institute's finance team who also produce monthly financial reports in a very timely manner.

ICAEW MANCHESTER
**INCOME AND EXPENDITURE ACCOUNT FOR THE
YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Income			
Grants and seed-corn funding received		-	4,820
Surplus on meetings and events	2	2,349	(1,906)
Interest received		82	165
Royalties received		1,180	-
		<u>3,611</u>	<u>3,079</u>
Expenditure			
<i>Communication :</i>			
AGM/Prize giving			46
Membership of GMCC			350
<i>Administration :</i>			
Bank charges		87	132
Presidential expenses			2,115
Data Protection		35	35
Prizes		340	975
Sundries (inc MCASS Brochure)		521	288
		<u>983</u>	<u>3,941</u>
(Deficit)/Surplus before tax		2,628	(862)
Taxation		(16)	(31)
(Deficit) /Surplus after tax		<u><u>2,612</u></u>	<u><u>(893)</u></u>

**ICAEW MANCHESTER
BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Note	2020	2019
Assets employed			
Current assets			
Debtors and prepayments	3	2,035	6,228
Cash at bank and in hand		148,642	146,023
Current liabilities			
Creditors	4	(3,776)	(7,961)
Net current assets		<u>146,902</u>	<u>144,290</u>
Net assets		<u>146,902</u>	<u>144,290</u>
 Financed by:			
Ring fenced fund at 30 June 2001		75,939	71,148
Transfer from accumulated fund		-	4,791
Ring fenced fund	5	<u>75,939</u>	<u>75,939</u>
 Other accumulated fund:			
Balance at 1 January		68,351	68,475
Surplus for year		2,612	(893)
Transfer from ring fenced fund		-	769
Balance at 31 December		<u>70,963</u>	<u>68,351</u>
Total Reserves	5	<u>146,902</u>	<u>144,290</u>

Note:

In 2005 the Society resolved to dispense with the need for an audit.

Signed on behalf of ICAEW Manchester on 20 April 2021

Mark Blakemore
President

Jon Scopes
Deputy President

Michael Colin
Hon. Treasurer

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2020
1 Accounting policies

These accounts have been prepared in accordance with the historical cost convention and applicable accounting standards. Income and expenditure have been accounted for on the accruals basis.

2 Surplus on meetings and events

	2020	2019
	£	£
Courses:		
Income	-	2,610
Direct costs	-	-
Surplus	<u>-</u>	<u>2,610</u>
Members' meetings and events:		
Income	7,982	30,139
Direct costs	<u>5,633</u>	<u>(34,655)</u>
Surplus	<u>2,349</u>	<u>(4,516)</u>
Total surplus	<u>2,349</u>	<u>(1,906)</u>

3 Debtors

	2020	2019
	£	£
Amounts recoverable re events	855	1,951
Other debtors/prepayments	1,180	3,278
VAT	-	999
	<u>2,035</u>	<u>6,228</u>

4 Creditors

	2020	2019
	£	£
Amounts payable re events	50	1,020
Accruals and deferred income	3,500	6,910
Taxation	16	31
VAT	210	-
	<u>3,776</u>	<u>7,961</u>

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2020 (continued)
5 Reserves

Reserves held by MSCA at 30 June 2001 were 'ring fenced' to be used for members in the district. Having considered carefully how these funds can be best used for the benefit of members, funds have previously been specifically set aside to provide prizes for students in their professional examinations and to support events and activities for new members. MSCA policy is to retain a general reserve within ring-fenced reserves of £40,000 in line with ICAEW good practice being a prudent assessment of 6–9 month expenditure in a 'normal' year. As our work resumes its future 'normal' a review will be carried out of the best use for proper member benefit.

The reserves can be analysed at 31 December 2020 as follows:

	Manchester £	Bolton £	MSCA £
MSCA Prize Fund	12,771	-	12,771
MSCA New/Younger Members Fund	23,168	-	23,168
General Reserve	<u>34,130</u>	<u>5,870</u>	<u>40,000</u>
Total Ring-fenced Reserve	70,069	5,870	75,939
Other Accumulated Fund	<u>65,022</u>	<u>5,941</u>	<u>70,963</u>
Total Reserves	<u>135,091</u>	<u>11,811</u>	<u>146,902</u>

During 2020 as in 2019 there has been no release from the MSCA prize fund into the Other Accumulated Fund as prizes awarded were within the ICAEW funding. In 2019 £769 was released from the MSCA New/Younger Members Fund to the Other Accumulated Fund to offset the expenditure on the new members' ceremony. This was not needed in 2020.

	Manchester £	Bolton £	MSCA £
Total Ring-fenced Reserve	<u>70,069</u>	<u>5,870</u>	<u>75,939</u>
Other Accumulated Fund b/f	62,410	5,941	68,351
Surplus for year	<u>2,612</u>	<u>-</u>	<u>2,612</u>
Other Accumulated Fund c/f	<u>65,022</u>	<u>5,941</u>	<u>70,963</u>
Total Reserves	<u>135,091</u>	<u>11,811</u>	<u>146,902</u>