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Financial Statements Commission for the New Economy Limited

For the Year Ended 31 March 2016

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Registered number: 05678007

Commission for the New Economy Limited
(A company limited by guarantee)

Company Information

Directors	Sir H Bernstein Mr R Paver Ms E Treacy
Company secretary	Manchester Professional Services Limited
Registered number	05678007
Registered office	Manchester Professional Services Limited Room 311, Manchester Town Hall Albert Square, PO Box 532 Manchester M60 2LA
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4 Hardman Square Spinningfields M3 3EB
Bankers	The Cooperative Bank plc PO Box 101, 1 Balloon Street Manchester M60 4EP

Commission for the New Economy Limited
(A company limited by guarantee)

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Strategic Report

For the Year Ended 31 March 2016

Business review

Following on from the November 2014 Devolution Deal, the 2015/16 year focused on the design and implementation of a range of activities and programmes to support the delivery of the Devolution Deal, along with activity which continued to drive the GM agenda and contribute to GMCA priorities.

Key achievements during the year included:

- Supported submission of GM's input into the Spending Review.
- The GM evaluation framework being developed and implemented through the Devolution Deal, Growth Deal and PSR evaluation. Work continues on this to expand the coverage of the framework.
- Supported the work on the Greater Manchester Spatial Framework including two consultation phases and a GM wide call for sites.
- Began the implementation of the re-configuration of the Post 19 Skills system in GM, via our Devolution Deal. This including progressing the Area Based Review and moving to influencing skills commissioning in 2016/17.
- Integrated the work of GM's work and skills teams into one team approach.
- Hosted OECD LEED Forum, and launched Leadership report.
- ERDF programme has started to be commissioned and Intermediate Body and Co-Financing Status secured for GMCA. ERDF programme has been commissioned and contracted. ESF calls for Skills & Employment support were developed and commissioned.
- Administered applications and awarded funding for the GM AGE grant.
- Developed and launched a Manufacturing Champions Network, being led by nine of the top manufacturers in GM.
- Sector deep dives completed to provide a detailed understanding of the spatial implications of, and barriers to, growth at a local level and aims to identify how all parts of GM can play a full role in meeting growth ambitions.
- Developed new partnership with the LGA to work with them to inform the development of their devolution support to local authorities.
- A digital skills analysis has been developed, working with industry to ensure that future skills provision better meets the needs of the whole economy, especially this important sector.
- Establishment of the GM Victims Services Hub.
- Delivered significant national contracts working with the What Works Centre for Local Economic Growth, Core Cities, and the Public Sector Transformation Network.
- An updated Climate Change Implementation Plan has been developed, consulted upon and approved.

Key changes during the year

- Throughout the year a significant shift towards much closer and integrated working with the GMCA has taken place, including the co-location of some of the PSR team to create a single Work and Skills team for GM.
- A significant change within the year was the appointment of a new Managing Director for the company.

Strategic Report

For the Year Ended 31 March 2016

Principal risks and uncertainties

- Failure to deliver all aspects of devolution deals being implemented by New Economy leading to loss of reputation – this has been mitigated through the development of a clear action plan being put in place for each element of the deal, and ensuring effective delivery of that plan.
- Processes needed to manage ESIF are not implemented appropriately especially in light of IB – this has been mitigated through the development of an action plan; bi-weekly progress meetings and any issues or slippage being reported to Chief Executives Investment Group.
- As the GMCA structure develops the role and function of NE will need to change, with the potential for NE, currently a wholly owned subsidiary of the GMCA, to become fully part of the GMCA. This is being managed by ensuring early and continued involvement in the development of the CA transition plan, regular contact with GMCA colleagues, especially PSR and GMIST, and continuous monitoring of impact on day to day work/morale of the organisation and future structures.

Strategic Report

For the Year Ended 31 March 2016

Future developments

Key priorities for 2016/17:

- Provide a research service that supports and challenges the GMCA economic growth and public service reform policy, including sustainable data sharing arrangements.
- Lead GM cost benefit analysis and evaluation activity to support the delivery of GM's growth and reform strategy and the devolution deal.
- Deliver role in Victims Services Hub and ensure that it aligns with broader GMCA priorities
- Secure commercial research, evaluation and cost benefit analysis activity, both within and outside of GM, where it provides added value to the GMCA
- Contributing to overall development of GM strategy, linking and driving appropriate initiatives and networks
- Provide a proactive function to the GMCA, working with GMIST and PSR teams to identify opportunities, including potential funding bids to support and drive the GMCA agenda
- Develop further devolution asks, particularly fiscal devolution
- Act as thought leaders for GM to drive future GMCA priorities, supporting the LEP and GMCA appropriately drawing on research and all policy areas
- Ensure the successful delivery of the Greater Manchester Societal Review
- Ensure the implementation of the skills elements of the devolution deals to deliver the employability and high level skills the GM economy needs, including implementation of the Area Based Review and development of Work & Skills outcomes framework
- Preparation for the roll out of the Apprenticeship Levy and Apprenticeship reform across GM, particularly in relation to the public sector through the ongoing development and implementation of a GM Apprenticeship Strategy
- Implement the European Social Fund programme and Co-financing Organisation status
- Lead the redesign of services towards Working Well expansion and co-design with DWP the new work and health programme contributing to the implementation of the devolution deal
- Implement the Raising Participation Age Strategy with particular focus on improving GCSE attainment and careers education, information, advice and guidance in schools
- Continue to develop science and innovation thinking, informed by and emerging from the Science & Innovation Audits, including capitalising on opportunities arising from Euro Science Open Forum
- Develop policy and strategy to drive productivity via shaping GM's business growth offer (including innovation, finance, business support and implementation of Devolution)
- Continue to support the development of GM's key sectors, with a particular focus on manufacturing and GM's digital ambition, via appropriate evidence, policy and strategy
- Develop an Internationalisation Strategy to support GM to realise its potential internationally to support economic growth
- Support the development of GMSF as part of the Devolution Deal
- Deliver Low Carbon Implementation Plan including supporting the development of GM Energy as part of the Devolution Deal
- Support the implementation of housing elements of Devolution Deal to increase house building and develop new models of social housing
- Continue critical infrastructure mapping and planning, including joint working to develop Utility Providers investment plan
- Manage European Structural and Investment Fund and implement Intermediate Body status
- Influence key policy developments in Europe, helping GM partners access European funding, and maximising non-ESIF opportunities for GM

Strategic Report

For the Year Ended 31 March 2016

Corporate Governance

- The new membership structure has been continued, consisting solely of the Greater Manchester Combined Authority. The Board will continue to meet on a periodic basis delegating day to day business management to the Managing Director and Senior Management.
- The Greater Manchester Combined Authority Audit Committee has oversight of New Economy and meets four times a year.
- Manchester City Council, Internal Audit Dept, is able to assist New Economy with any internal audit issues.

This report was approved by the board on **31 October 2016** and signed on its behalf.



Sir H Bernstein
Director

Directors' Report

For the Year Ended 31 March 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 surplus or deficit of the Company for that period. 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.

Results

The deficit for the year, after taxation, amounted to £8,356 (2015 -deficit £134,314).

Directors

The directors who served during the year were:

Sir H Bernstein
Mr R Paver
Ms E Treacy

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Commission for the New Economy Limited
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Directors' Report (continued)
For the Year Ended 31 March 2016

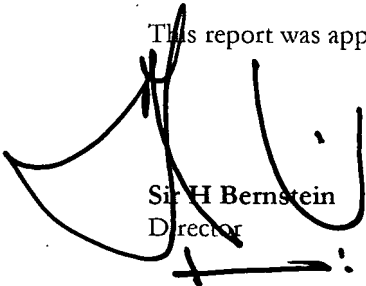
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on **31 October 2016** and signed on its behalf.



Sir H Bernstein
Director

(A company limited by guarantee)



Independent auditor's report to the shareholders of Commission for the New Economy Limited

We have audited the financial statements of Commission for the New Economy Limited for the year ended 31 March 2016, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its deficit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

(A company limited by guarantee)



Independent auditor's report to the shareholders of Commission for the New Economy Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Grant Thornton UK LLP

Christopher Martin
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester

Date: *6 December 2016*

Commission for the New Economy Limited
(A company limited by guarantee)

Statement of Comprehensive Income
For the Year Ended 31 March 2016

	Note	2016 £	2015 £
Income - continuing operations	3	3,608,472	3,564,110
Gross profit		3,608,472	3,564,110
Staff costs		(2,169,383)	(2,271,864)
Other operating expenditure		(1,431,648)	(1,435,068)
Depreciation and amortisation		(15,754)	(5,137)
Operating loss - continuing operations	4	(8,313)	(147,959)
Interest receivable and similar income	7	11	791
Other finance charge		(1,000)	8,000
Loss before tax		(9,302)	(139,168)
Tax on loss	9	946	4,854
Loss for the year		(8,356)	(134,314)
Other comprehensive income for the year			
Actuarial gains on defined benefit pension scheme		170,000	83,000
Movement in pension asset not recognised in the balance sheet		(115,000)	-
Other comprehensive income for the year		55,000	83,000
Total comprehensive income for the year		46,644	(51,314)

Statement of Financial Position

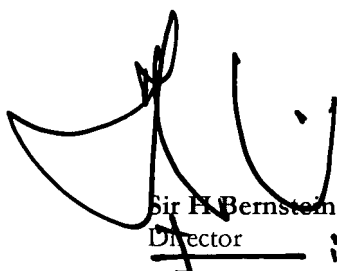
As at 31 March 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	10		30,822		28,983
			<u>30,822</u>		<u>28,983</u>
Current assets					
Debtors: amounts falling due within one year	11	911,013		883,575	
Cash at bank and in hand	12	839,165		1,300,969	
		<u>1,750,178</u>		<u>2,184,544</u>	
Creditors: amounts falling due within one year	13	(1,683,087)		(2,048,902)	
Net current assets			<u>67,091</u>		<u>135,642</u>
Total assets less current liabilities			<u>97,913</u>		<u>164,625</u>
Provisions for liabilities					
Other provisions	15	-		(67,356)	
			-		(67,356)
Pension liability			-		(46,000)
Net assets			<u>97,913</u>		<u>51,269</u>
Capital and reserves					
Profit and loss account			<u>97,913</u>		<u>51,269</u>
			<u>97,913</u>		<u>51,269</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

31 October 2016



Sir H. Bernstein
Director

The notes on pages 13 to 32 form part of these financial statements.

Commission for the New Economy Limited
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Statement of Changes in Equity
For the Year Ended 31 March 2016

	Profit and loss account	Total equity
	£	£
At 1 April 2015	51,269	51,269
Comprehensive income for the year		
Deficit for the year	(8,356)	(8,356)
Net movement in defined benefit pension scheme	55,000	55,000
Total surplus for the year	46,644	46,644
At 31 March 2016	97,913	97,913

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Statement of Changes in Equity
For the Year Ended 31 March 2015

	Profit and loss account	Total equity
	£	£
At 1 April 2014	102,583	102,583
Comprehensive income for the year		
Deficit for the year	(134,314)	(134,314)
Actuarial gains on pension scheme	83,000	83,000
Other comprehensive income for the year	83,000	83,000
Total deficit for the year	(51,314)	(51,314)
Total transactions with owners	-	-
At 31 March 2015	51,269	51,269

The notes on pages 13 to 32 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 20.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The financial statements are presented in Sterling (£).

The following principal accounting policies have been applied:

1.2 Going concern

The company receives funding through a variety of income sources - both public and private sector. Core funding is agreed annually and has only seen a slight reduction over recent years. The company is also able to manage and flex its cost-base in accordance with commercial income levels and therefore continues to meet its on-going liabilities.

On this basis the directors consider that they have taken into account all information they could reasonably be expected to be available in preparing the financial statements and they consider it appropriate to prepare them on the going concern basis.

1.3 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard 102 section 7.1b from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.4 Income

Income represents amounts earned in accordance with the company's Business Plan and is recognised on the basis of claims received/submitted or as work is delivered.

1.5 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.

Notes to the Financial Statements

For the Year Ended 31 March 2016

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

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:

Computer equipment	- 33.33% straight line
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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 the Statement of comprehensive income.

1.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

1.7 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.

1.8 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable and other third parties.

Any debt instruments (other than those wholly repayable or receivable within one year) and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Any 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

Notes to the Financial Statements

For the Year Ended 31 March 2016

1. Accounting policies (continued)

1.8 Financial instruments (continued)

asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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, 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.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

1.9 Creditors

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

1.10 Operating leases

Rentals paid under operating leases are charged to the profit and loss account 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

The Group 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 01 April 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

Notes to the Financial Statements

For the Year Ended 31 March 2016

1. Accounting policies (continued)

1.11 Pensions

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 Statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting 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 is 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'.

Defined contribution pension scheme

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.12 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

Notes to the Financial Statements

For the Year Ended 31 March 2016

1. Accounting policies (continued)

1.13 Provisions for liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are made, they are charged to the provision carried in the Statement of financial position.

1.14 Taxation

Tax is recognised in the statement of comprehensive income, except that a change 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.

Notes to the Financial Statements

For the Year Ended 31 March 2016

2. Significant judgments and estimates

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these judgemental and estimates have been made include:

Defined Benefit Scheme

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable.

3. Turnover

The whole of the turnover in the year is attributable to the company's principal continuing activity of delivering economic growth in Greater Manchester in the United Kingdom and is stated net of value added tax.

During the year £32k (2015: £nil) of restricted income was received from The Clothworkers' Company. This income was received and fully spent within the 15/16 financial year.

4. Operating deficit

The operating deficit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets - owned by the company	15,754	5,137
Auditor's remuneration	12,150	9,100
Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts	1,750	1,700
Operating lease rentals:		
- plant and machinery	2,491	7,567
- other operating leases	32,372	47,067
Irrecoverable VAT	58,421	75,364

Notes to the Financial Statements

For the Year Ended 31 March 2016

5. Employees

Staff costs, including directors' remuneration, were as follows:

	2016	2015
	£	£
Wages and salaries	1,831,426	1,801,329
Social security costs	157,510	158,494
Pension costs	180,447	312,041
	<u>2,169,383</u>	<u>2,271,864</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016	2015
	No.	No.
Operational delivery and administrative staff	<u>43</u>	<u>39</u>

6. Directors' remuneration

	2016	2015
	£	£
Directors' emoluments	-	122,427
Pension costs	-	21,502
	<u>-</u>	<u>143,929</u>

During the year retirement benefits were accruing to no directors (2015 -1) in respect of defined contribution pension schemes.

7. Interest receivable

	2016	2015
	£	£
Other interest receivable	<u>11</u>	<u>791</u>

8. Other finance costs

	2016	2015
	£	£
Net interest on net defined benefit scheme	<u>(1,000)</u>	<u>8,000</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

9. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	-	946
Adjustments in respect of previous periods	(946)	(5,800)
	<u>(946)</u>	<u>(4,854)</u>
Total current tax	<u>(946)</u>	<u>(4,854)</u>
Deferred tax		
Total deferred tax	-	-
Taxation on loss on ordinary activities	<u>(946)</u>	<u>(4,854)</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2015 - the same as) the standard rate of corporation tax in the UK of 20% (2015 - 20%) as set out below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>(9,302)</u>	<u>(139,168)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	(1,860)	(27,834)
Effects of:		
Expenses not deductible for tax purposes	76	-
Other permanent differences	-	12,577
Losses carried back	946	-
Adjustments to tax in respect of previous periods	(946)	(5,800)
Amounts charged directly to equity or otherwise transferred	(25,200)	-
Adjustment to closing deferred tax for changes in tax rates	4,223	-
Deferred tax not recognised	21,815	16,203
Total tax charge for the year	<u>(946)</u>	<u>(4,854)</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

10. Tangible fixed assets

	Computer Equipment £
Cost or valuation	
At 1 April 2015	34,599
Additions	17,593
At 31 March 2016	<u>52,192</u>
Depreciation	
At 1 April 2015	5,616
Charge for period on owned assets	15,754
At 31 March 2016	<u>21,370</u>
Net book value	
At 31 March 2016	<u>30,822</u>
At 31 March 2015	<u>28,983</u>

11. Debtors

	2016 £	2015 £
Trade debtors	659,206	613,395
Prepayments and accrued income	250,861	265,326
Tax recoverable	946	4,854
	<u>911,013</u>	<u>883,575</u>

12. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>839,165</u>	<u>1,300,969</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

13. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	131,947	185,920
Taxation and social security	99,690	94,127
Other creditors	61,778	135,273
Accruals and deferred income	1,389,672	1,633,582
	<u>1,683,087</u>	<u>2,048,902</u>

	2016 £	2015 £
Other taxation and social security		
PAYE/NI	48,519	50,126
VAT	51,171	44,001
	<u>99,690</u>	<u>94,127</u>

14. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at amortised cost	1,713,054	2,122,385
	<u>1,713,054</u>	<u>2,122,385</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(193,725)	(321,193)
	<u>(193,725)</u>	<u>(321,193)</u>

Financial assets measured at amortised cost comprise cash at bank, trade debtors and accrued income.

Financial Liabilities measured at amortised cost comprise trade creditors and other creditors.

Notes to the Financial Statements

For the Year Ended 31 March 2016

15 Provisions

	Dilapidation Provision £
At 1 April 2015	67,356
Utilised in year	(67,356)
	<hr/>
At 31 March 2016	-
	<hr/>

During the 2013/14 financial year, the company exercised a break clause in a lease and exited part of the building. The provision related to expected dilapidation costs on the space previously occupied by the company. The dilapidation costs were settled in the year.

16. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

On 1 April 2011 the Greater Manchester Combined Authority became the sole member of the company.

Notes to the Financial Statements

For the Year Ended 31 March 2016

17. Pension commitments

The total pension costs for the year were £180,447 (note 5).

Defined Contribution Scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge includes contributions payable by the company to the defined contribution fund which amounted to £168,131 (2015 - £127,041). Contributions totaling £61,678 (2015 - £135,273) were payable to the fund at the balance sheet date and are included in creditors.

Defined Benefit Scheme

The company also operates a defined benefit pension scheme.

Pension contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. A full actuarial valuation was carried out at 31 March 2016. The pension cost charge includes contributions payable by the company to the defined benefit fund which amounted to £12,316 (2015 - £12,000).

Reconciliation of present value of plan liabilities:

	2016 £	2015 £
Reconciliation of present value of plan liabilities		
At the beginning of the year	477,000	442,000
Current service cost	20,000	17,000
Interest cost	16,000	19,000
Contributions	7,000	7,000
Changes in financial assumptions	(189,000)	(8,000)
At the end of the year	331,000	477,000

Notes to the Financial Statements

For the Year Ended 31 March 2016

17. Pension commitments (continued)

	2016 £	2015 £
At the beginning of the year	431,000	368,000
Interest income	15,000	16,000
Actuarial (losses) / gains	(19,000)	28,000
Contributions	19,000	19,000
At the end of the year	446,000	431,000
	2016 £	2015 £
Fair value of plan assets	446,000	431,000
Present value of plan liabilities	(331,000)	(477,000)
Defined benefit surplus not recognised	(115,000)	-
Net pension scheme liability	-	(46,000)

The directors have assessed the recoverability of the net asset relating to the defined benefit scheme and concluded that it would not be appropriate to recognise this asset in the balance sheet of the company because the company will not receive a refund from the pension scheme, nor is it likely that any benefit will arise in the future from reduced contributions to the scheme. The present value of the asset not recognised was £115,000.

The amounts recognised in profit or loss are as follows:

	2016 £	2015 £
Current service cost	(20,000)	(17,000)
Interest on obligation	(1,000)	8,000
Total	(21,000)	(9,000)

Reconciliation of fair value of plan liabilities were as follow:

	2016 £	2015 £
Opening defined benefit obligation	(477,000)	(442,000)
Current service cost	(20,000)	(17,000)
Interest cost	(16,000)	(19,000)
Contributions by scheme participants	(7,000)	(7,000)
Actuarial gains	189,000	8,000
Closing defined benefit obligation	(331,000)	(477,000)

Notes to the Financial Statements

For the Year Ended 31 March 2016

17. Pension commitments (continued)

Reconciliation of fair value of plan assets were as follows:

	2016 £	2015 £
Opening fair value of scheme assets	431,000	368,000
Actuarial (losses) / gains	(19,000)	28,000
Interest income on plan assets	15,000	16,000
Contributions by employer	12,000	12,000
Contributions by scheme participants	7,000	7,000
	<u>446,000</u>	<u>431,000</u>

The Company expects to contribute £13,000 to its Defined benefit pension scheme in 2017.

Principal actuarial assumptions at the Statement of financial position date (expressed as weighted averages):

	2016 %	2015 %
Discount rate	4.7	3.3
Future salary increases	1.5	1.5
Future pension increases	2.2	2.5
Mortality rates		
- for a male aged 65 now	21.4	21.4
- at 65 for a male aged 45 now	24	24
- for a female aged 65 now	24	24
- at 65 for a female member aged 45 now	26.6	26.6

Notes to the Financial Statements

For the Year Ended 31 March 2016

17. Pension commitments (continued)

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2016 £	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(331,000)	(477,000)	(1,004,000)	(504,000)	(349,000)
Scheme assets	446,000	431,000	962,000	506,000	416,000
Surplus	115,000	(46,000)	(42,000)	2,000	67,000
Experience adjustments on scheme liabilities	189,000	8,000	(17,000)	(114,000)	(47,000)
Experience adjustments on scheme assets	(19,000)	28,000	27,000	38,000	(21,000)
	170,000	36,000	10,000	(76,000)	(68,000)

The assumptions in the current year are those adopted by the employer rather than the generic assumptions used by the actuary for the entire Local Government Pension Scheme (LGPS).

The actuary for the LGPS has historically recommended a standard set of assumptions for all participants of the LGPS in valuing the assets and liabilities and, whilst this is still deemed to be valid for Local Authorities and other large public bodies within the scheme, they now acknowledge that it may be less relevant for private employers within the scheme.

For the last 6 years, the company has therefore reviewed the standard generic assumptions made by the actuary to enable them to recalculate the results for the employees within the company who belong to the Greater Manchester Pension Fund. The valuation of the pension scheme assets and liabilities included in the accounts is based on these revised assumptions.

In order to determine the most appropriate assumptions for the company, the directors have considered the following:

- Guidance issued by the scheme actuary on which assumptions are open to judgement.
- Assumptions used for the calculation of the pension scheme balances in relation to other defined benefit schemes within related organisations.
- The company's policies and objectives that impact on results, for example its staff remuneration policies.

The revised assumption is explained below.

The rate of salary growth is held at 1.5% per annum. This is in line with current pay conditions and likely upper limits of future pay rounds.

All other generic actuarial assumptions have been adopted.

Notes to the Financial Statements

For the Year Ended 31 March 2016

18. Commitments under operating leases

At 31 March 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	-	2,491
Later than 5 years	53,794	-
Total	53,794	2,491

Notes to the Financial Statements

For the Year Ended 31 March 2016

19. Related party transactions

The following related party transactions have occurred where a director of the company is a director of an external organisation.

	Annual income / (exp're) 2016 £	Balance at year end 2016 £	Annual income / (exp're) 2015 £	Balance at year end 2015 £
Tameside MBC	-	-	-	-
Tameside MBC	(21,006)	(3,400)	(2,800)	-
Salford CC	1,550	1,860	114,624	23,046
Salford CC	(23,994)	-	(141,727)	(128,949)
Trafford MBC	2,065	-	2,766	1,239
Trafford MBC	-	-	(39)	-
Oldham MBC	6,665	501	39,309	6,749
Oldham MBC	(21,204)	(9,015)	-	-
Bury MBC	(20,999)	(134,136)	145,939	(113,086)
Bury MBC	-	-	-	-
Wigan MBC	1,550	1,860	11,900	-
Wigan MBC	-	-	-	-
Manchester CC	820,486	80,981	821,775	157,433
Manchester CC	333	413	(42,896)	20,860
Rochdale MBC	5,000	-	1,000	(5,000)
Rochdale MBC	-	-	-	-
Stockport MBC	(450)	(75)	(675)	(225)
Bolton MBC	18,100	19,860	1,550	-
Bolton MBC	-	-	(43,641)	-
Greater Manchester Combined Authority	1,445,561	274,865	1,193,369	(445,230)
Greater Manchester Combined Authority	-	-	(5,074)	-
Manchester Investment and Development Agency Services	2,100	-	23,004	9,119
Manchester Investment and Development Agency Services	-	-	-	-
Manchester Professional Services	-	-	(393)	-
Manchester Central Convention Complex	-	-	-	-
Greater Manchester Waste Limited	5,000	-	5,000	-
Manchester Science Parks Limited	-	-	-	-
Corridor Manchester	11,080	13,296	5,000	-
Discuss	-	-	1,261	-
Manchester Camarata	12,275	-	9,025	-

Commission for the New Economy Limited
(A company limited by guarantee)

Notes to the Financial Statements

For the Year Ended 31 March 2016

19. Related party transactions (continued)

Key Management Personnel

The cost to the Company of individuals that are considered to be key management was £453,395 (2015: £385,976)

Commission for the New Economy Limited
(A company limited by guarantee)

Notes to the Financial Statements

For the Year Ended 31 March 2016

20. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2014. The impact of the transition to FRS 102 is as follows:

	As previously stated 31 March 2015	Effect of transition 31 March 2015	FRS 102 (as restated) 31 March 2015
Note	£	£	£
Fixed assets	28,983	-	28,983
Current assets	2,184,544	-	2,184,544
Creditors: amounts falling due within one year	(2,048,903)	-	(2,048,903)
Net current assets	135,641	-	135,641
Total assets less current liabilities	164,624	-	164,624
Provisions for liabilities	(113,356)	-	(113,356)
Net assets	51,268	-	51,268
Capital and reserves	51,268	-	51,268

Notes to the Financial Statements

For the Year Ended 31 March 2016

20. First time adoption of FRS 102 (continued)

	As previously stated 31 March 2015	Effect of transition 31 March 2015	FRS 102 (as restated) 31 March 2015
Note	£	£	£
Turnover	3,564,110	-	3,564,110
	3,564,110	-	3,564,110
Staff costs	(2,271,864)	-	(2,271,864)
Administrative expenses	(1,435,068)	-	(1,435,068)
Other operating income	(5,137)	-	(5,137)
Operating profit	(147,959)	-	(147,959)
Interest receivable and similar income	791	-	791
Other finance income	14,000	(6,000)	8,000
Taxation	4,854	-	4,854
Loss on ordinary activities after taxation and for the financial year	(128,314)	(6,000)	(134,314)

Explanation of changes to previously reported profit and equity:

- The actuarial valuation shows a revised expected return on scheme assets. The movement has resulted in net income of £6,000 in the statement of comprehensive income rather than £14,000 under previous standards.