LONDON CHAMBER of COMMERCE AND INDUSTRY

CONNECT. CHAMPION. SUPPORT.

REPORT AND ACCOUNTS 2022

British Chambers of Commerce Accredited

Voice of London Business

Events and Networking

Export Documents

International Trade and Business

Workspace and Meeting Facilities

Business Advice

Marketing and Business Services

New Business Opportunities

Mentoring

Members of the Board

Chair
Julia Onslow-Cole
Partner,
Fragomen LLP

Treasurer
Joe Seet
Senior Advisor
Anzen Technology Systems

Interim Chief Executive
Karim Fatehi MBE

Director of Membership
and Events
Elizabeth King

Finance Director and
Company Secretary
Neil Stanfield FCA

Bola Abisogun OBE
Founder and Chief Executive,
Diverse City Surveyors

Ben Allen
Proposition Leader, Financial
Sponsors & Executives,
Coutts

Claire Broadbelt
Co-Chair of Civil Fraud &
Business Disputes,
Greenberg Traurig, LLP

Sarah Howard
Chair,
British Chambers of Commerce

Sam Hovey
Chief Financial Officer,
United Risk Partners

Tony Matharu
Director,
Integrity International Group

Richard Moir
International Strategic Advisor,
Harod Associates

Julia Simpson
President and Chief Executive,
World Travel and
Tourism Council

Members of Council

Members of the Board

Julia Onslow-Cole (Fragomen)
Joe Seet (Anzen Technology Systems)
Karim Fatehi MBE (Interim Chief Executive)
Elizabeth King (Director of Membership and Events)
Neil Stanfield (Finance Director and Company Secretary)
Bola Abisogun OBE (Diverse City Surveyors)
Ben Allen (Coutts)
Claire Broadbelt (Greenberg Traurig)
Sarah Howard (British Chambers of Commerce)
Sam Hovey (United Risk Partners)
Tony Matharu (Integrity International Group)
Richard Moir (Harod Associates)
Julia Simpson (World Travel & Tourism Council)

Vice Presidents of the Chamber

Sir Anthony Jolliffe GBE (Past President)
Sir James Duncan (Past Chairman)
Christopher Stewart-Smith CBE (Past Chairman)
Sir Brian Jenkins GBE (Past President and Chairman)
Kenneth Gardener (Past Treasurer)
Derek Sach (Past President and Chairman)
Michael Cassidy CBE (Past President and Chairman)
Stephen Greene (Past President and Chairman)
Willie Walsh (Past President)
Subhash Thakrar (Past Chairman)
Jeffrey Adams (Past President and Chairman)
John Fallon (Past President)
Lynette Lackey (Past Treasurer)

Ex Officio Members

The Rt Hon The Lord Mayor of London
The Member of Parliament for the Cities of London and Westminster
The Chairman of Lloyd's of London
The Chairman of The International Stock Exchange
The Chairman of The Baltic Exchange
The Chairman of The Port of London Authority

Members of Council (continued)

Elected Members

Kevin Barrett (Arbuthnot Latham & Co. Limited)
Dan Bridgett (Thames Freeport)
Richard Currie (UPS)
Naga Sai Dinavahi (UK College of Business and Computing)
Jean Duprez MBE (Duprez Consulting Ltd)
Alderman Prem Goyal (City of London)
Klaus Henke (Billmonitor)
Jon Heuvel (Shakespeare Martineau)
Wayne Lee (CIBC Capital Markets)
Frank Levene (Blue Link Worldwide, Inc.)
Sarah Jo Loveday (Peopleknd)
Simon Neate (WSP)
Nish Patel (Satguru Travel and Tourism Ltd)
Clare Stanley (HSBC UK Bank plc)

Nominated Members

City of London, Alpa Raja
EDF Energy, Paul Spence
Freight Transport Association, Chris Welsh
JCI London, Beatrice Antonini
London Chamber of Commerce and Industry Commercial Education Trust, Darragh O'Sullivan
Southwark Chamber of Commerce
The Port of London Authority, James Trimmer
The Wine and Spirit Trade Association, Miles Beale

Committee Chairs

Asian Business Association, Tony Matharu (Integrity International Group)
Black Business Association, Lord Hastings
Connected, Liveable London, Natalie Chapman (Logistics UK)
Environment, Sustainability and Green Growth, Mark Jenkinson (Crystal Associates)
London, Fostering Skills, Innovation and Entrepreneurs, Anthony Impey (Be the Business)
Smarter Cities, Claire Holford (HRC Law)

Patron Members

Besso Group
CIBC
Gatwick Airport Limited
Haysmacintyre LLP
Heathrow Airport Ltd
HSBC Bank Plc
International Airlines Group
London City Airport Ltd
Middlesex University Institute for Work Based Learning
Mishcon de Reya LLP
Thames Freeport
The British Land Company Plc
The British Museum
SSE Plc
Stansted Airport
UPS Limited

Strategic Leadership Team

Karim Fatehi MBE
Interim Chief Executive

Elizabeth King
Director of Membership and Events

Neil Stanfield FCA
Finance Director and Company Secretary

Chair's Statement

This is my second annual report as Chair of the London Chamber of Commerce and Industry. I am pleased to report that the Chamber continues to be very successful in consolidating and growing its membership and its trade documentation/Carnets business. We have come out of the COVID pandemic much stronger and with a strategic and sustainable business model to ensure we continue to support all London businesses and provide relevant, exciting and pragmatic membership services.

Our trade documentation/Carnets teams have worked hard to secure new business in the face of market consolidation. UK businesses, particularly London businesses, continue to deal with the challenges of Brexit which have increased the requirement for precise documentation and descriptions for all goods and transactions which require Carnets. The LCCI is one of the main organisations responsible for the issuance of ATA Carnets for goods leaving the UK as well as in-bound Carnets for goods coming into the UK, which are ultimately overseen by the UK National ATA Carnet Organisation (UKNATACO). We have also taken a leading role in the development of an efficient and professional digital platform for the eCarnets System and expect this to be fully launched in the coming year. This will be alongside the development of a knowledgeable, pragmatic and comprehensive trade advisory system.

Equally important, ensuring the relevance of our activities to our membership groups across all sectors and sizes is also a key strategic objective. An exciting programme of engagement with existing and new Patron and Premier Plus members will also be rolled out in the coming year. Internationally, we are actively involved with a number of Chambers overseas with whom we are engaging co-operatively and recognising mutual benefits and opportunities which are of interest to our members.

CORPORATE GOVERNANCE

On Governance, we have appointed three new non-executive directors, each of whom will contribute actively, bringing their own experience and knowledge to the Board. The executive management team has recently changed due to the resignation of the Chief Executive, Richard Burge, in September 2023. The company continues to operate efficiently under the interim leadership of a highly experienced and professional senior director, Karim Fatehi MBE. The President, Martina Cole, resigned in August 2023 to focus on her other business activities. We thank her for her contribution to the London Chamber. The search for replacements for both the Chief Executive and President is underway by the Nominations Committee.

RESULTS

Our financial performance has continued to improve largely due to securing new business in trade documentation and Carnet issuance as well as keeping a close review on fixed and variable costs. The objective of the Board is to ensure that we are financially resilient and maintain sufficient funds to invest wisely in future work and services. The audited accounts for 2022 show an overall surplus after tax of £681,000 (2021-£660,000). A surplus on the Chamber Pension Scheme of £1,802,000 (2021-£1,210,000 surplus) and a tax charge of £451,000 (2021-£244,000 credit) resulted in an overall increase in our net assets of £2,032,000 from £13.645 million to £15.677 million.

JEOnslow-Cole

Julia Onslow-Cole
Chair
30/11/2023

Chief Executive's Review

Owing to the recent resignation of the Chief Executive, Richard Burge, at the end of September 2023, the Board appointed me to take on the role of Interim Chief Executive before the recruitment of a successor, expected to be in the first quarter of 2024. I would like to thank the Board and our Chair, Julia Onslow-Cole.

I started in my role on 1 October and am delighted to be able to help as I have been a strong supporter of the LCCI and a member of its Council for many years.

As reported last year, the then Chair Roddy Caxton-Spencer continued to be acting President until his untimely death on 2 August 2022. Julia Onslow-Cole succeeded him in an acting capacity until the Annual General Meeting on 21 November 2022 when Martina King was elected President. I would like to take this opportunity to thank Martina King during her term for the insights to the work of the Chamber.

The 2022 accounting year has seen the Chamber strengthen its Board with the appointment of three additional non-executive Directors – Samantha Hovey, Sarah Howard and myself on 12 September 2022, 28 November 2022 and 15 September 2022 respectively. The Board has been and continues to be led, very professionally and ably, by its Chair, Julia Onslow-Cole and it exercises good business judgement, robust corporate governance, and professional integrity in its own right and through its standing committees on Remuneration and Audit & Risk.

Financially, the 2022 year shows a good operational surplus due, in part, to controls imposed on staff costs. A pay rise of 5% was awarded at the end of 2021. In June 2022 in the face of rapidly rising inflation, the Board made an ex-gratia bonus award to all staff (excepting the executive management team) of 5%. At the end of 2022, the Board made a substantive award to all staff of 6% of salary and increased by 1% the Chamber's contribution to personal pension plans.

During the year, the Board also completed an exercise to consolidate our pension contributions for all staff into a single defined contribution scheme. I am very grateful to our Treasurer, Joe Seet, for leading this complex exercise, and for the few remaining members active in our defined benefit scheme for their constructive engagement in the process.

During 2022, we have also reviewed our medium to long term investment strategies and consolidated our investment portfolio with an experienced manager, Rathbones, to actively manage and protect our financial reserves. This was done under the leadership of a highly professional and experienced non-executive director, Benjamin Allen, and regular reviews and reports prove the validity of the consolidation.

Chief Executive's Review (continued)

We continue to be highly dependent on income from trade documentation (especially from ATA Carnets). In 2022 our trade document income was £7,354,000 (88% of our operational income) compared with £5,002,000 (72%) in 2021. Our Carnets team has been very diligent in taking advantage of market consolidation in the industry to ensure that our market share is sustained and increasing, especially when our specialist eCarnet System is fully launched in the coming year.

The operational surplus for 2022 was £1,448,000, with an overall surplus of £2,032,000. Our reserves (excluding the £7,013,000 net book value of our lease on 33 Queen Street) at the end of 2022 were £8,664,000 (compared with £6,469,000 at the end of 2021).

Membership

We continue to develop our corporate membership strategies and have focused on our flagship Patron members as well as our Premier Plus members and the total cohort is now just short of an internal target of 1,500 fee paying members. In the coming year, we will be discussing and implementing a new membership strategy to tier and segment our actual and prospective membership in order to ensure all services, webinars, seminars and events are customised, tailored and relevant to the expectations of all members. These strategies should appeal to the broader group of about 6,000 companies who are associated with the London Chamber Community who are not yet paying members and we expect to grow actual membership substantially in the coming years. We held 58 in-person events and 59 online events during 2022 and will continue to develop relevant events which truly inform and are of benefit to our members in the coming years.

International

Additionally, we have led a number of successful international engagements to support our members with their overseas expansion and to encourage inward investment. We have promoted London across the world working with a number of overseas organisations and held a variety of events for members to help them unlock opportunities for growth.

Our international focus is on businesses in North America, Europe and India although we also have strong networks across the Middle East and Africa. In addition, we are engaging regularly with the respective UK Government departments for trade and industry as well as the London's mayoral offices to ensure the capital remains the key location for all company sectors including the prestigious banking, financial and insurance sectors. Our policy, public impact and regulatory updates continue to be recognised as being incisive, knowledgeable, and relevant to all our members and are a reliable source for business media publications.

Chief Executive’s Review (continued)

International (continued)

In summary, the Chamber continues to grow and maintain its position as the ‘go to’ business enterprise for all London and Counties corporate and professional businesses to participate in knowledgeable commentaries on government policies, dialogue and engagement especially on all trade related matters. I very much look forward to the full program of membership events and other activities in 2024.

Karim Fatehi - MBE
Karim Fatehi - MBE (Nov 30, 2023 16:07 GMT)

Karim Fatehi
Interim Chief Executive
30/11/2023

Strategic Report

The directors present their strategic report for the year ended 31 December 2022.

Principal Activities

London Chamber of Commerce and Industry is a company limited by guarantee, incorporated in England and with a registered office of 33 Queen Street, London, EC4R 1AP. It is a voluntary association of businesses of all sizes and in all sectors throughout Greater London. It is independent of local and national government, being controlled by its members.

The Chamber's mission is to be the principal London business organisation helping members be more successful by promoting their interests and expanding their opportunities as members of a world-wide network from its headquarters in Queen Street in the City of London and through branch Chambers.

The Chamber provides a voice for London business, advocating the needs and views of industry and commerce. It runs an annual programme of well over 115 events. It is the biggest issuer of export documents in the country and the UK guaranteeing authority for the ATA Carnet system. Other services include: the organisation of trade missions; a programme of networking events, seminars and training courses; a business enquiry service; and acting as one of the delivery partners for Innovate UK EDGE – helping innovative business to grow and scale.

Business Review

Gross income increased 21% to £8,382,000 (2021-£6,915,000), including an unrealised investment loss of £690,000 (2021-£543,000 gain).

Subscription income was £55,000 up on last year with membership increasing by 5% to 1,472 (2021-1,401) and subscriptions representing some 14% of gross income (2021-16%).

Sales of export documents accounted for 88% of the gross income (2021-72%).

Details of key performance indicators and a review of activities during the year are included in the Chair's Statement and the Chief Executive's Review.

Approved by the board of directors and signed on behalf of the Board.

JEOnslow-Cole

Julia Onslow-Cole
Chair
30/11/2023

Directors' Report

The directors present their Report and Accounts for the year ended 31 December 2022.

Results

The surplus on ordinary activities before taxation was £1,325,000 (2021-£624,000 surplus) and the surplus after taxation was £681,000 (2021-£660,000 surplus). In addition, there was an actuarial gain of £1,802,000 (2021-£1,210,000 gain) on the Chamber Pension Scheme during the year, whose valuation has previously seen volatile fluctuations both favourable and adverse.

Going Concern and Future Developments

As discussed in further detail in the Chair's Statement and Chief Executive's Review, the recovery of revenue in the post-pandemic period together with the recent exercise to significantly reduce the cost base has resulted in an operating surplus for the year which is expected to be achieved annually in the future. The Group continues to have a strong positive Balance Sheet with cash of £5,335,000 (2021-£4,305,000) and current asset investments of £6,832,000 (2021-£6,546,000) as at 31 December 2022.

Based on this, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of no less than 12 months from the date of approval of these financial statements. Accordingly, the directors have prepared the financial statements under the going concern basis.

Principal Risks and Uncertainties

The Chamber's attitude to risk is set by the Board and its implementation overseen by the management team. The principal areas of risk are competition from other business support organisations, either in the public or the private sector, and a reduction in the demand for international trade documentation. The importance of both income streams to the Chamber is as stated in the Business Review within the Strategic Report.

The Group's operations expose it to a variety of financial risks including credit risk, liquidity risk and interest rate risk. Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Group's finance department.

The Group's credit risk is primarily attributable to its trade debtors. The Group has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the Board. The carrying amount of financial assets represents the maximum credit exposure.

In respect of liquidity risk the Company monitors its levels of working capital to ensure that it can meet its repayments as they fall due. The Company's financial liabilities (none of which are derivative financial liabilities) comprise trade creditors, which are all payable within six months.

The Group has interest bearing assets, comprising cash and cash equivalents and investments, which earn interest at the prevailing term deposit rate.

Directors' Report (continued)

Creditor Payment Policy

It is the Chamber's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Chamber and its suppliers, provided that all trading terms and conditions have been complied with.

Directors' and Officers' Insurance

The Chamber maintains insurance for its directors and officers indemnifying them against certain liabilities which may be incurred by them while acting as officers of the Group.

Directors

The present members of the Board (who are the statutory directors under the Companies Act) are shown on page 1. All served throughout the year except for Martina King (21 November 2022), Karim Fatehi (15 September 2022), Sarah Howard (28 November 2022) and Sam Hovey (12 September 2022) who were appointed to the Board on the dates indicated. Martina King resigned on 2 August 2023.

Statement of Directors' Responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare the report and accounts for each financial year. Under that law the directors have elected to prepare the report and accounts in accordance with United Kingdom Financial Reporting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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 Group and of the profit or loss of the Group for that period. In preparing these report and accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the report and accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the report and accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Report (continued)

Statement of Directors' Responsibilities (continued)

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company website. Legislation in the United Kingdom governing the preparation and dissemination of report and accounts may differ from legislation in other jurisdictions.

Disclosure of Information to the Auditors

In the case of each person who was a director at the time this report was approved:

- so far as that director was aware there was no relevant audit information of which the company and group's auditor was unaware; and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company and Group's auditor was aware of that information.

This information is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditors

A resolution reappointing CLA Evelyn Partners Ltd as auditors will be put to the members at the Annual General Meeting.

By Order of the Board

NStanfield

NStanfield (Nov 30, 2023 15:31 GMT)

Neil Stanfield
Secretary

30/11/2023

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON CHAMBER OF COMMERCE AND INDUSTRY

Opinion

We have audited the financial statements of London Chamber of Commerce and industry (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Income and Expenditure Account, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated and Company Statement of Changes in Equity and the notes to the financial statements, including 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 group's and of the parent company's affairs as at 31 December 2022 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group and parent 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.

Independent Auditor's Report (continued)

Other information

The other information comprises the information included in the Report and Accounts, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Report and Accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Independent Auditor's Report (continued)

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 12-13, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

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:

We obtained a general understanding of the group and parent company legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the group and parent company industry and regulation.

We understand that the group and parent company complies with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- A risk register that includes regular review and scrutiny by the Board and Audit and Risk Committee;
- The outsourcing of payroll and tax compliance to external experts; and
- The Executive Directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly.

Independent Auditor's Report (continued)

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the group and parent company ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the group and parent company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The key area identified as part of the discussion were with regard to the manipulation of the financial statements through manual journals and incorrect recognition of revenue. This was communicated to the other members of the engagement team who were not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Testing of manual journal entries, selected based on specific risk assessments applied based on the client processes and controls surrounding manual journals;
- Reviewing and challenging estimates made by management; and
- Substantive testing on revenue.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Bond
Andrew Bond (Dec 7, 2023 15:43 GMT)

Andrew Bond
Senior Statutory Auditor, for and on behalf of
CLA Evelyn Partners Ltd
Statutory Auditor
Chartered Accountants

45 Gresham Street
London
EC2V 7BG

07/12/2023

Consolidated Income and Expenditure Account

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
GROSS INCOME	1(e), 2		
Subscriptions		1,141	1,086
Services		7,931	5,126
Investment (losses)/gains		(690)	543
Other income	3	-	160
		8,382	6,915
Costs associated with services		(744)	(612)
NET INCOME		7,638	6,303
ADMINISTRATIVE EXPENSES			
Staff	4	(3,912)	(3,750)
Premises		(565)	(537)
General		(1,713)	(1,277)
		(6,190)	(5,564)
OPERATING SURPLUS	6	1,448	739
Interest receivable		13	-
Other finance costs	18	(136)	(115)
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		1,325	624
TAXATION (CHARGE)/CREDIT	7	(644)	36
RETAINED SURPLUS FOR THE YEAR AFTER TAXATION		681	660

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
RETAINED SURPLUS FOR THE YEAR AFTER TAXATION		681	660
OTHER COMPREHENSIVE INCOME			
(Loss)/Gain on pension scheme assets		(6,898)	6
Gain on change of pension scheme assumptions (financial and demographic)		8,700	1,204
Actuarial gain in pension scheme	18	1,802	1,210
Taxation (charge)/credit	7	(451)	244
TOTAL COMPREHENSIVE INCOME RELATING TO THE YEAR		2,032	2,114

Consolidated and Company Balance Sheet

AT 31 DECEMBER 2022

	Notes	Group 2022 £'000	Company 2022 £'000	Group 2021 £'000	Company 2021 £'000
FIXED ASSETS					
Intangible fixed assets	8	2,028	2,028	1,740	1,740
Tangible fixed assets	8	8,429	8,429	8,717	8,717
Investments	9	-	150	-	150
		10,457	10,607	10,457	10,607
CURRENT ASSETS					
Stocks		2	2	2	2
Debtors	10	2,897	2,168	1,528	1,199
Deferred tax asset	7	1,313	1,313	2,299	2,299
Investments	9	6,832	6,832	6,546	6,546
Cash at bank and in hand					
General		5,335	3,890	4,305	3,144
Carnet related deposits		538	538	436	436
		16,917	14,743	15,116	13,626
CREDITORS: amounts falling due within one year					
Creditors	11	(3,029)	(3,300)	(2,205)	(2,421)
Deferred income		(2,354)	(652)	(1,616)	(632)
Carnet related deposits		(538)	(538)	(436)	(436)
		(5,921)	(4,490)	(4,257)	(3,489)
NET CURRENT ASSETS		10,996	10,253	10,859	10,137
TOTAL ASSETS LESS CURRENT LIABILITIES		21,453	20,860	21,316	20,744
PENSION LIABILITY	18	(5,776)	(5,776)	(7,671)	(7,671)
NET ASSETS		15,677	15,084	13,645	13,073
RESERVES		15,677	15,084	13,645	13,073

Approved by the Board of directors on 30 November 2023 and signed on its behalf by

Julia Onslow-Cole — Chair

JoeSeet (Nov 30, 2023 16:38 GMT)

Joe Seet FCA — Treasurer

The notes on pages 24 to 40 form part of these accounts.

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£'000	£'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	2,687	1,496
INVESTMENT ACTIVITIES		
Interest received	12	1
Payments to acquire intangible fixed assets	(457)	(380)
Payments to acquire tangible fixed assets	(110)	(35)
Payments to acquire current asset investments	(1,000)	-
NET CASH OUTFLOW FROM INVESTMENT ACTIVITIES	(1,555)	(414)
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Increase in cash and cash equivalents	1,132	1,082
Balance at 1 January	4,741	3,659
BALANCE AT 31 DECEMBER	5,873	4,741

RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2022	2021
	£'000	£'000
Operating surplus	1,448	739
Depreciation	582	539
(Increase)/Decrease in stock	-	1
(Increase) in debtors	(1,368)	(167)
Increase in creditors	1,540	801
Net employer contribution after administration costs	(229)	(44)
Fair value movement on current asset investments	714	(519)
Corporation tax received	-	146
NET CASH INFLOW FROM OPERATING ACTIVITIES	2,687	1,496

Consolidated Cash Flow Statement (continued)

NET FUNDS RECONCILIATION

	£'000
AT 1 JANUARY 2022	4,741
Cashflows	1,132
AT 31 DECEMBER 2022	5,873

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2022

	Capital Reserves	Accumulated Reserves	Total Equity
	£'000	£'000	£'000
AT 1 JANUARY 2022	185	13,460	13,645
Surplus for the year	-	681	681
Other recognised gains	-	1,351	1,351
AT 31 DECEMBER 2022	185	15,492	15,677

FOR THE YEAR ENDED 31 DECEMBER 2021

	Capital Reserves	Accumulated Reserves	Total Equity
	£'000	£'00	£'000
AT 1 JANUARY 2021	185	11,346	11,531
Surplus for the year	-	660	660
Other recognised gains	-	1,454	1,454
AT 31 DECEMBER 2021	185	13,460	13,645

Company Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2022

	Capital Reserves	Accumulated Reserves	Total Equity
	£'000	£'000	£'000
AT 1 JANUARY 2022	185	12,888	13,073
Surplus for the year	-	660	660
Other recognised gains	-	1,351	1,351
AT 31 DECEMBER 2022	185	14,899	15,084

FOR THE YEAR ENDED 31 DECEMBER 2021

	Capital Reserves	Accumulated Reserves	Total Equity
	£'000	£'000	£'000
AT 1 JANUARY 2021	185	10,635	10,820
Deficit for the year	-	799	799
Other recognised gains	-	1,454	1,454
AT 31 DECEMBER 2021	185	12,888	13,073

The Company is limited by guarantee and has no share capital. The members' liability is limited to £5 each in the event of the winding up of the company.

Notes to the Accounts

FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting Policies

(a) Basis of Accounting and Statement of Compliance

The London Chamber of Commerce and Industry is a private limited company, limited by guarantee, incorporated in England and Wales. The address of the registered office is 33 Queen Street, London EC4P 1AP.

These financial statements have been prepared under the historical cost convention and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

(b) Reduced Disclosure Exemptions

The Parent Company has taken advantage of the following exemptions available under FRS 102:

- the exemption from preparing a Cash Flow Statement; and
- the exemption from disclosing key management personnel as their remuneration is included in the totals for the group.

(c) Going Concern

The directors have considered the future funding requirements of the Group within their financial forecasts which incorporate post-year end trading performance and cash levels. Based on this, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of no less than 12 months from the date of approval of these financial statements. Accordingly, the directors have prepared the financial statements under the going concern basis.

(d) Basis of Consolidation

The group financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) prepared to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Notes to the Accounts (continued)

1. Accounting Policies (continued)

(d) Basis of Consolidation (continued)

Under the provisions of FRS 102 the Captive Cell has been classified as a special purpose entity because it is in substance controlled by the Chamber and gives rise to benefits that are in substance no different from those that would arise were the vehicle a subsidiary. The accounts of London Chamber of Commerce and Industry Commercial Education Trust ("the Trust") are not consolidated as the Chamber does not control its assets or management (see note 15).

The results of subsidiaries acquired or disposed of during the year are included in profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

The Company has taken advantage of the exemption under section 408 of the Companies Act 2006 from publishing its individual Income and Expenditure Statement, Statement of Comprehensive Income and related notes.

(e) Gross Income

Gross income consists of subscriptions, services (comprising income from export documents and other services) and rental income. Gross income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Subscription income is recognised equally over the length of the subscription period. Where a subscription has only been partially completed at the end of the reporting period, turnover represents the fair value of the service provided to date based on the stage of completion at the Balance Sheet date. Where payments are received from customers in advance of the subscription period, the amounts are recorded as deferred income.

Export documents income comprises revenue from Certificates of Origin, ATA Carnets, the Carnet Security Scheme and other related export documentation. Income is accounted for on the issue of the documentation. Commissions and similar income are recognised when they can be reliably measured. Amounts received as Carnet security deposits are fully refundable provided the conditions of the Carnet are not broken. The cash received is deposited in a separate bank account and a creditor recognised for the amount refundable. If the Carnet terms are broken the deposit is applied to pay the related duty.

Captive Cell income has been accounted for on a 365 day basis over the period of the carnet and ADR (Adverse Development Reserve) of 7.5% is based on net earned premium income less technical liabilities for that reporting period and is calculated for 24 months, after which this is reduced to 2.5% of net earned premium income less technical liabilities for that reporting period for the next 9 months - 33 months in total.

Other services comprise events, trade missions and other sundry income. Other services are accounted for on the basis of the value of goods and services supplied during the period. Income received in advance is shown as deferred income.

Rental income is recognised net of VAT on an accruals basis in accordance with the relevant rental agreements.

Other income is the recognition of government grants which are recorded in line with its specific accounting policy as noted in 1l).

Notes to the Accounts (continued)

1. Accounting Policies (continued)

(f) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and amortisation and any recognised impairment.

Depreciation and amortisation are calculated on a straight-line basis to write off the assets down to their residual values evenly over their estimated useful lives. The residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Software development	7% per annum
Long leasehold property	2% per annum
Leasehold improvements	7% per annum
Furniture and fittings	5%, 10% or 15% per annum
Office equipment	15% or 20% per annum

(g) Taxation

The tax expense represents the sum of the tax currently payable and any deferred tax. The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences between taxable profits and total comprehensive income that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for timing differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle on a net basis.

(h) Investments

Investments are stated at cost and reviewed for impairment where an indicator of impairment exists.

(i) Stocks

Stocks are stated at the lower of cost and net realisable value.

Notes to the Accounts (continued)

1. Accounting Policies (continued)

(j) Pensions

The Group operates a defined contribution and a defined benefit pension schemes which are separately administered.

The Group recognises in its Balance Sheet the present value of its defined benefit obligations less the fair value of plan assets. The current service cost is charged against operating profit. Interest on the scheme liabilities net of the expected return on scheme assets is included in the finance costs.

The defined benefit obligation is calculated at each period end by independent actuaries using the projected unit credit method. The present value of the obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and which have terms to maturity approximating to the terms of the related pension liabilities. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are reflected in the Statement of Comprehensive Income in the period in which they arise.

Contributions to the defined contribution pension scheme are charged to the Income and Expenditure Statement as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and the contributions actually paid are shown as either accruals or prepayments.

(k) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. At the balance sheet date all leases are classified as operating leases. Rentals payable under operating leases are charged to income and expenditure on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

(l) Grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in Other income over the period in which the related costs are recognised. A grant that becomes 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 is recognised in Other income in the period in which it becomes receivable.

Oher grants are recognised in the Income and Expenditure Account as the related expenditure is incurred. Amounts received before the revenue recognition criteria are satisfied is shown as liability in the Balance Sheet.

(m) Financial Instruments

The Financial assets and financial liabilities are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Investments in unlisted investment funds are classified as basic financial instruments. They are initially measured at transaction price and subsequently measured at fair value, with changes in fair value being recognised in the Income and Expenditure Statement. Fair value is determined using the quoted bid price at the Balance Sheet date.

Investments in short-term deposits are classified as basic financial instruments and comprise of cash deposits with an original maturity of greater than 3 months but not more than 12 months from the Balance Sheet date.

Notes to the Accounts (continued)

1. Accounting Policies (continued)

(n) Financial Instruments (continued)

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of 3 months or less and bank overdrafts which are an integral part of the Group's cash management.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Financial liabilities issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability.

2. Key judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make judgements and estimates that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the Balance Sheet date and reported amounts of revenue and expenses.

Bad debt provision

The trade debtors balances of £2,635,000 (2021-£1,168,000) recorded in the Group's balance sheet comprise a relatively small number of large balances. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible.

Cell provision

The Captive Cell ADR (Adverse Development Reserve) represents the residual balance of income deferred in the Group's balance sheet as detailed in note 1(e). This provision is based on a formula that incorporates both technical provisions for specific risks and the phased release of income over the life of each carnet until its maturity.

Defined Benefit pension scheme

Various estimates are used in the calculation of the defined pension liability, such as discount rate, inflation and mortality rates. In determining the appropriate discount rate, consideration is made to the interest rates of corporate bonds with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. Inflation is set by considering market expectations, for example taking the difference between yields available on long-dated fixed-interest and index-linked gilts. Mortality rates are set in line with SAPS tables S2, adjusted to allow for any expectation of higher or lower life expectancy of scheme members due to geographic, socio-economic or demographic factors. At 31 December 2022, a liability of £5,776,000 (2021-£7,671,000) for pensions is recorded in the Balance Sheet.

Notes to the Accounts (continued)

3. Other Operating Income

	2022 £'000	2021 £'000
Furlough Grant	-	106
Other Grants	-	54
	-	160

Government grants were received under the Coronavirus Job Retention Scheme as part of a government initiative to provide immediate financial support as a result of the Covid-19 pandemic to partially reimburse the Group for the wages of certain employees who were placed on a temporary period of absence but were kept on the payroll. There are no future related costs in respect of these grants which were received solely as compensation for costs incurred in the year.

The Group has not benefited from other forms of government assistance during the year (2021- £Nil).

4. Staff

	2022 £'000	2021 £'000
Salaries	2,718	2,635
Social security costs	316	286
Pension costs	388	358
Pension cost in relation to the Defined Benefit Scheme	-	158
Other personnel costs	490	313
	3,912	3,750

	2022 Number	2021 Number
The average monthly number of employees during the year was:		
Membership services	45	41
Membership sales and retention	9	10
Office administration	10	10
Senior management	3	3
	67	64

Notes to the Accounts (continued)

5. Directors

	2022 £'000	2021 £'000
Emoluments of directors:		
Emoluments	387	516
Pension contributions	42	36
	429	552

	2022 £'000	2021 £'000
Emoluments of highest paid director:		
Emoluments	182	165
Pension contributions	11	10
	193	175

	2022 Number	2021 Number
Members of defined benefit pension schemes	1	1
Members of money purchase pension schemes	1	1

	2022 £'000	2021 £'000
Company contributions paid to money purchase pension schemes	11	10

6. Operating Surplus

		2022 £'000	2021 £'000
The operating surplus is stated after charging/(crediting):			
Depreciation of owned fixed assets		582	539
Auditor's remuneration	– audit services	55	42
	– non audit services	14	16
Operating lease rentals	– land and buildings	94	78
	– plant and machinery	9	9
Operating lease rentals receivable – land and buildings		(2)	(2)

Notes to the Accounts (continued)

7. Taxation

The tax credit for the year comprises:

	2022 £'000	2021 £'000
Current tax:		
UK corporation tax on surplus for the year	109	5
Adjustment in respect of prior years	-	-
Deferred tax:		
Originating and reversal of timing differences	321	648
Adjustment in respect of prior years	214	(40)
Effect of tax rate change on opening balance	-	(649)
Total tax charge/(credit)	644	(36)

Factors affecting the current tax credit:

The current tax assessed for the year is at the standard rate of corporation tax in the UK of 19.0% (2021-19.0%).

Factors that may affect the future tax charge:

The Finance Act 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. The full anticipated effect of these changes is reflected in the above deferred tax balances.

The differences are reconciled below:

	2022 £'000	2021 £'000
Surplus on ordinary activities before taxation	1,315	763
Deficit on ordinary activities at standard UK corporation tax rate of 19.0% (2021-19.0%)	250	145
Expenses not deductible for tax purposes	165	-
Adjustments to tax charge in respect of previous period	215	(35)
Income not taxable for tax purposes	(15)	-
Additional deduction for R&D expenditure	(76)	(70)
Deferred tax average rate adjustment	77	(552)
Amounts charged directly to equity or otherwise transferred	(7)	476
Tax on apportioned CFC profits	109	-
Exempt ABGH distributions	(105)	-
Fixed asset differences	31	-
Total tax charge/(credit)	644	(36)

Notes to the Accounts (continued)

7. Taxation (continued)

Factors that may affect future tax charges:

Deferred tax assets have not been recognised in respect of unutilised capital tax losses of £10,032,000 (2021-£9,195,000) due to insufficient certainty as to the availability of future chargeable gains. The deferred tax liability has been measured at the rate of 25.0% (2021-25.0%) which is the rate that is expected to apply when the timing differences reverse.

The movements in deferred taxation during the current year were as follows:

	£'000
At 1 January 2022	(2,299)
Deferred tax charge in the income and expenditure account	535
Deferred tax credit in the Statement of Comprehensive Income and Losses	451
At 31 December 2022	(1,313)

Deferred taxation comprises:

	2022 £'000	2021 £'000
Capital allowances in advance of depreciation	819	430
Losses and other deductions	(688)	(811)
Deferred tax asset recognised on pension deficit	(1,444)	(1,918)
At 31 December	(1,313)	(2,299)

Notes to the Accounts (continued)

8. Intangible and Tangible Fixed Assets

	Intangible Software Development £'000	Tangible Long Leasehold Property £'000	Tangible Furniture and Fittings £'000	Tangible Office Equipment £'000	Tangible Total £'000
COST					
At 1 January 2022	2,529	8,170	3,200	1,167	12,537
Additions at costs	472	-	-	110	110
At 31 December 2022	3,001	8,170	3,200	1,277	12,647
DEPRECIATION					
At 1 January 2022	789	994	1,764	1,062	3,820
Charge for the year	184	163	179	56	398
At 31 December 2022	973	1,157	1,943	1,118	4,218
NET BOOK VALUES					
At 31 December 2022	2,028	7,013	1,257	105	8,429
At 31 December 2021	1,740	7,176	1,436	105	8,717

9. Investments

Investments held as fixed assets – Company

	£'000
At 1 January 2021 and 31 December 2022	150

Investments held as current assets

	Group 2022 £'000	Company 2022 £'000	Group 2021 £'000	Company 2021 £'000
Unitised Investments	5,832	5,832	6,456	6,456
Term Deposits	1,000	1,000	-	-
	6,832	6,832	6,456	6,456

During the year, a loss of £690,000 (2021-£543,000 gain) was recognised through the Consolidated Income and Expenditure Account.

Notes to the Accounts (continued)

10. Debtors: Amounts Falling Due Within One Year

	Group 2022 £'000	Company 2022 £'000	Group 2021 £'000	Company 2021 £'000
Trade debtors	2,635	1,906	1,168	839
Other debtors	76	76	139	139
Prepayments and accrued income	186	186	221	221
	2,897	2,168	1,528	1,199

11. Creditors: Amounts Falling Due Within One Year

	Group 2022 £'000	Company 2022 £'000	Group 2021 £'000	Company 2021 £'000
Trade creditors	753	1,024	351	567
Other taxes and social security	594	594	388	388
Accruals	837	837	574	574
Other creditors	845	845	892	892
	3,029	3,300	2,205	2,421

12. Commitments Under Operating Leases

At 31 December 2022 the group and company had annual commitments under non-cancellable operating leases as set out below:

	Land and Buildings		Other	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Operating leases which will expire:				
Within one year	86	82	9	9
In two to five years	211	216	-	-
In over five years	6,624	6,116	-	-
	6,921	6,414	9	9

Within Land and Buildings is a commitment of £6,864,000 relating to the 150 year lease at 33 Queen Street which has a 143 year term remaining.

Notes to the Accounts (continued)

13. Capital Commitments

	2022 £'000	2021 £'000
Contracted for but not provided	9	15
Authorised but not contracted	931	608

14. Contingent Liabilities

A $400,000 guarantee is held with RBS as an International Chamber of Commerce World Chambers Federation World ATA Carnet Council requirement to provide evidence of the Chamber's aptitude to fully and correctly assume the administrative and financial obligations incumbent on the guarantors of the duties and taxes payable on goods covered by the ATA Carnets issued under its responsibility. It is considered highly unlikely that this will be called upon.

15. Transactions with Related Parties

Under an Agreement with London Chamber of Commerce and Industry Commercial Education Trust ("the Trust"), reviewed annually by the Trustees, the Chamber earned £6,000 (2021-£14,000) in respect of services provided to the Trust during the year. Nil (2021-£9,000) was owed by the Trust at 31 December 2022.

During the year, the Group made purchases from companies who have representations on the board totalling £101,234 (2021-£69,606). At the year end, the balance owed by the Group was £Nil (2021-£Nil).

Key management personnel are deemed to be the directors of the group and their remuneration is disclosed within Note 5.

Notes to the Accounts (continued)

16. Captive Cell Accounts

On 1 January 2014 the company took a 100% holding in a cell within Harlequin Insurance PCC Limited, a protected cell company incorporated in Guernsey and with a business address of Heritage Hall, Le Marchant Street, St. Peter Port, Guernsey, GY1 4JH. It was created for the purposes of providing indemnity cover to it against its ATA Carnet customers defaulting on their obligation to settle liabilities arising from the ATA Carnet process. The Cell has a financial year-end of 31 March. The following operating performance has been included in the Consolidated Accounts of the Group based on its activity up to 31 December 2022 and under the accounting policies disclosed within note 1.

	2022 £'000	2021 £'000
Recognised income (note 1)	1,031	590
Recognised expenses	(396)	(320)
GROSS INCOME	635	270
Service costs	(50)	(46)
NET INCOME	585	224
Adminstrative expenses	(16)	(13)
OPERATING SURPLUS	569	211
Interest receivable	2	-
SURPLUS BEFORE TAXATION	571	211
Taxation charge	-	-
RETAINED SURPLUS AFTER TAXATION	571	211
Dividend	(550)	(350)
RETAINED SURPLUS / (DEFICIT) AFTER TAXATION AND DIVIDEND	21	(139)
Retained surplus at 1 January	573	712
RETAINED SURPLUS AT 31 DECEMBER	594	573

Before adjustments under the accounting policy for the Captive Cell set out on page 25, the gross written premium for the year charged by the Cell to the Company was £2,816,000 (2021-£1,660,000).

The Carnet Security Scheme is managed within the Cell and the Scheme is backed by reinsurance placed with Lloyd's of London which limits the Chamber's claims exposure in any one year to £500,000.

Notes to the Accounts (continued)

17. Other Interests

London Chamber of Commerce and Industry is one of the five members of London & Partners Ltd, which is a private company limited by guarantee without share capital. Accordingly, the Board considers it inappropriate to account for any equity interest asa result of its membership status. On a winding up of London & Partners, a sum of £1 is guaranteed as payable by each member.

The following dormant companies are all wholly owned by the Chamber and registered in the United Kingdom:

1881 Investments Limited
Business London Limited
The City of London Chamber of Commerce and Industry Limited
The Croydon Chamber of Commerce and Industry (Incorporated)
Docklands Business Club Limited
East London Chamber of Commerce Limited
Hammersmith & Fulham Chamber of Commerce
The London Chamber of Arbitration Limited
Westminster Chamber of Commerce

In addition, London Careers Services Limited and Chambers.Online Limited, both dormant companies, were 50.0% and 33.3% owned by the Chamber respectively.

Notes to the Accounts (continued)

18. Pension Obligations

The Group currently contributes to one defined contribution pension scheme for certain employees. During the year, the Group recognised £150,000 (2021-£138,000) of pension costs in relation to the defined contribution scheme.

The Group operates a defined benefit pension scheme for certain employees, the assets of which are held in a separate trustee administered fund. The defined benefit pension scheme was closed to new members from 13 October 2000. The pension cost relating to the scheme is assessed in accordance with the advice of a qualified actuary, using the projected unit method to determine the funding requirement triennially.

The Trustees are required to carry out an actuarial valuation every 3 years. The last actuarial valuation of the scheme was carried out as at 30 June 2020. This valuation revealed a funding shortfall of £5.8 million. The Chamber agreed to pay annual contributions of 29.6% of members' pensionable salaries each year to meet the cost of future service accrual. In respect of the deficit in the scheme as at 30 June 2020, the Chamber has agreed to pay £295,000 per annum until 30 September 2028. In addition, up to a maximum of £190,000 per annum will be paid to cover scheme expenses. The Group expects to make additional contribution £485,000 (2022-£532,000) to the scheme during the accounting year beginning 1 January 2023.

For accounting purposes, the most recent actuarial valuation as at 30 June 2020 has been updated in line with the requirements of FRS 102 as at 31 December 2022.

The principal assumptions underlying the actuarial assumptions of the present value of the plan liabilities are:

	2022 % pa	2021 % pa
Price inflation	3.1	3.9
Rate of increase in pay	3.0	3.0
Rate of increase of pensions in payment:		
Service prior to 1 March 2001		
- Joiners prior to 10 February 1992	5.1	5.1
- Joiners from 10 February 1992	5.1	5.1
Service from 1 March 2001 to 30 June 2006	3.2	3.4
Service after 30 June 2006	2.3	2.3
Rate of increase for deferred pensioners	3.1	3.9
Discount rate	4.8	1.8
Post retirement mortality in years		
Current pensioners at 65 – male	22.7	22.6
Current pensioners at 65 – female	24.2	24.1
Future pensioners at 65 – male	24.0	23.9
Future pensioners at 65 – female	25.7	25.6

Notes to the Accounts (continued)

18. Pension Obligations (continued)

Amounts recognised in income and expenditure account:

	2022 £'000	2021 £'000
Net interest expense	136	115
Current service cost charged to operating income	69	130
Past service cost credited to operating income	-	-
Expenses paid	235	233
Total charge	440	478

Analysis of changes in the value of the scheme assets over the year:

	2022 £'000	2021 £'000
Market value of assets at start of year	23,590	25,545
Expected return on scheme assets	(6,898)	6
Interest Income	417	317
Administration expenses	(235)	(233)
Employer contributions	533	407
Member contributions	13	17
Benefits paid	(1,160)	(2,469)
Market value of assets at end of year	16,260	23,590

Analysis of changes in the value of the scheme liabilities over the year:

	2022 £'000	2021 £'000
Value of liabilities at start of year	31,261	34,355
Service cost	69	130
Past Service cost	-	-
Interest cost	553	432
Member contributions	13	17
Benefits paid	(1,160)	(2,469)
Actuarial loss	(8,700)	(1,204)
Value of liabilities at end of year	22,036	31,261

Notes to the Accounts (continued)

18. Pension Obligations (continued)

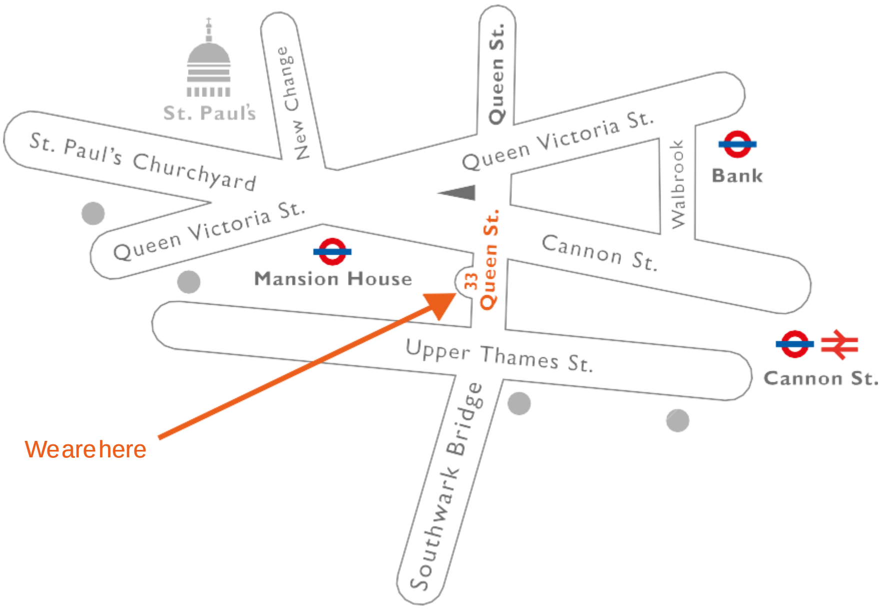
The actual loss on the plan assets (including any changes in share of assets) over the period ended 31 December 2022 was £6,481,000 (2021-£323,000).

The fair values of each main class of assets and liabilities held by the Fund are set out in the following table:

	Value as at year end 2022 £'000	Value as at year end 2021 £'000
Diversified Growth Fund	9,251	12,846
Corporate Bonds	-	3,080
Liability Driven Investments	4,427	4,401
Annuities	2,516	3,209
Other	66	54
Total market value of scheme assets	16,260	23,590
Actuarial value of scheme liabilities	(22,036)	(31,261)
Deficit in the scheme	(5,776)	(7,671)

How to find us

Located in the heart of the City, London Chamber of Commerce and Industry's Head Office at 33 Queen Street, EC4R 1AP provides a relaxing Members' Lounge and an ideal venue for all corporate and social functions. Indeed, many of our own events are held at 33 Queen Street. Easy access from Cannon Street, Mansion House, St Paul's and Bank stations enables us to welcome visitors from across London, the UK and further afield.



Who to contact

Don't forget all LCCI members have an Account Manager within the Member Relationship team who will be delighted to talk through with you how your membership can help you achieve your personal and business objectives or contact them if you just need more information about our services or events. You can contact them on T: +44 (0)20 7203 1713 or E: membersupport@londonchamber.co.uk

Other useful contacts

Main Switchboard	T: +44 (0)20 7248 4444	E: lc@londonchamber.co.uk
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Customs Declarations	T: +44 (0)20 7248 4444	E: customsdeclarations@londonchamber.co.uk
Events and Networking	T: +44 (0)20 7203 1700	E: events@londonchamber.co.uk
Export Documents	T: +44 (0)20 7248 4444	E: edocuments@londonchamber.co.uk
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International Trade Seminars, Training and Missions	T: +44 (0)20 7203 1822	E: internationalbusiness@londonchamber.co.uk
Membership Support and Enquiries	T: +4 4(0)20 7203 1713	E: membersupport@londonchamber.o.uk
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