

Aberdeen &  
Grampian  
Chamber of  
Commerce



Annual report **2019**



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# President's report

## Main activities and achievements

2019 saw Aberdeen & Grampian Chamber of Commerce deliver a strong set of financial results. Allied to posting surpluses in the prior two years this meant that we were in a position to add £250,000 in early 2020 to our investment portfolio to safeguard the long-term viability of the organisation. This follows a period of operating planned trading deficits at a challenging time for the regional economy when our members most needed us to be visible, active and effective.

Although pleased with the overall performance, it should be noted that the majority of the reported surplus was due to overhead cost savings with a large proportion of the underspend being due to lower than planned headcount and a number of CAPEX projects being delayed. In turn this, of course, meant that resource to grow top line income was restricted, resulting in some core revenue lines performing less well than expected.

This is a trend that has begun to emerge over the last few years and although the impact on income generation has been partly mitigated by the addition of a number of partnership projects aligned with our wider aims, outline plans and investment cases which seek to address the underlying issues were put in place during 2019.

The Chamber remains the North-east's leading business membership organisation, the largest Chamber in Scotland and one of the most active and influential in the UK. This gives us the scale to make our voice heard and to provide a wide range of business support services ranging from:

- Talking up the area and celebrating business success to lobbying for necessary change
- Equipping the workforce with skills to increase productivity
- Issuing the export documents that enable goods from this region worth over \$900 million every year to reach over 100 different overseas markets
- Sourcing research and intelligence on our operating environment
- Providing unrivalled opportunities for networking, business development and best practice exchange

All of which allow us to deliver on our promise to members of providing a range of practical support enabling business growth today, while creating the economic conditions that will underpin the future success of the region.

There is no doubt that, collectively, the regional partners have responded well to recent challenges, with great progress being made on our regional economic strategy, City Region deal and the diversification plans focusing on the food and drink, tourism, life sciences and digital sectors.

We also have a major role to play in the net zero agenda - repositioning and promoting the region as a global leader in energy transition - not just Europe's oil and gas capital - ensuring the economic wellbeing of the area is no longer measured by the dollar price of a barrel of crude.



Our Chamber is at the heart of this activity both strategically and as lead delivery partner on initiatives such as Developing the Young Workforce, Circular North-east, providing a wide range of support to exporters and the Absolutely fantastic regional narrative.

In addition, our involvement at Board level with Opportunity North East, Visit Aberdeenshire, Aberdeen Inspired and other associated commitments means our members have a seat at the top table; helping to positively influence the decisions and actions that will shape the region of the future.

Our Investment Tracker reveals that over £2.6bn of major infrastructure and regeneration projects have been delivered in the last couple of years with a future pipeline of a further £10bn+ creating a truly 21st century place, right here, right now.

So there are reasons to be cheerful but the momentum must be maintained. Some hurdles remain and the need for compromise and making difficult decisions is inevitable if we are to deliver the things this region needs and deserves. Of course, change is challenging but we have a collective responsibility to come together to realise the positive future we all desire for North-east Scotland - our Renaissance Region vision.

Underpinning this vision is the Chamber's policy and government affairs work, delivered within the framework of the seven Ts: Taxation, Talent, Transport, Technology, Trade, Transformation and Transition.

Our Policy Council, elected by members, is representative of a wide range of sectors and business interests from across the whole region, enabling us to understand and focus on the areas of greatest concern and impact at any given time.

In 2019 this included the publication of a business priorities manifesto entitled 'The North-east Powerhouse', laying out





The art of the possible – our reimagined gallery

for all of the candidates and parties seeking election to Westminster in the General Election the expectations of this region and its role in delivering national prosperity. More of this later.

### Our people

2019 was very much a transitional year as the Operations Team sought to find the right structure and people to bring the necessary fresh thinking, skills and attitude into the Chamber team.

We said farewell to staff including Joanne Lumsden, Nicola McGeown, Girts Greiskalns, Lucie Buresova, Isla Elliot, Valerie Tosh, Graham Jacobs and Louise Norrie who successfully graduated as our first Modern Apprentice, before moving on.

As Graeme Reid left the export documentation team to head into well-deserved retirement, Ack Sim and Norma Davidson

were promoted and Kevin Stott, Jan McLean and Marika Majewska joined the team as we added firepower to support businesses engaged in international trade as we headed towards Brexit.

There were a number of other promotions including Seona Shand to Membership & Events Director, Shane Taylor to Research & Policy Manager, Kirsten Irvine to Research Team Leader, Stuart Morrison to Senior Research & Policy Executive and Lee-Ann Stewart to Membership & Events Executive.

We also welcomed Andrew Taylor, Angus Robb, Vanessa Wilhelm, Katie Sim, Jill Simpson and Kathryn Collie, putting the team in a strong position heading into the new financial year with a further four vacancies to fill in early 2020.

We were delighted that Pdraig McCloskey and Chris Bain re-joined the Board for further three year spells, the first non-executives to be selected through the new recruitment (rather than election) process. Our thanks and best wishes go to Liz McIntyre who stepped down from the Board and welcome to Spencer Buchan who was appointed to fill the resultant vacancy. Seona also joined the Board as an executive director following her promotion.

The Policy Council election saw Alan Rowe, Justin Heath, John Davidson, Alex Yelland, Richard Sweetnam, Graeme Watt, Adrian Watson, Susan Rowand, Neil Clapperton and Kevin McCormick stand down and we thank them for their contributions.

Elected for first terms were Allan McEwan, Joanna Fraser, Jamie Wishart, Liz Rattray, Emma White, Jamie Coventry, Jill Walker, Moray Barber, David Millar, Moira Gordon, Laurie Scott and Findlay Anderson. And thanks to Jane Spiers, Tom Sanders, Colin Campbell and Eileen McBay for coming back for more!

### On a personal note

I was honoured and very proud to be selected as president at the 2019 AGM. Having spent most of my career working in government, more recently lobbying government and now as CEO of CLAN Cancer Support, a not-for-profit business, I hope I am bringing that expertise to bear in supporting the great work the Chamber does here in the North-east.

Work we simply could not do without being in a position where we are sustainably funded. I'd like to make specific mention of our Premier Partners who play a vital role in enabling us to undertake the partnership, project and economic development-related initiatives that we do. This is hugely valued and appreciated.

Thank you again for your support of the Aberdeen & Grampian Chamber of Commerce. Our members join a cause, not a club and are at the heart of everything we do. A powerful and cohesive force enabling us to achieve together what we could not individually.

Dr Colette Backwell  
president

# Director's report

The directors present their annual report and financial statements for the year ended December 31 2019

### Principal activities

**Aberdeen & Grampian Chamber of Commerce is a company registered in Scotland, limited by guarantee and operating on a not-for-distributed profit basis. It began life 165 years ago as the Aberdeen and North of Scotland Trade Protection Society before becoming incorporated as a Chamber of Commerce in 1877. It represents 1,145 members covering all the region's key business sectors and collectively employing 125,000 staff - around half of the region's total workforce.**

In order to achieve our aims and exceed member expectations, the following 10-point delivery plan continues to inform our planning, activities and reporting:

1. Retention and acquisition of members through the provision of value-adding services
2. Creating business opportunity through encouraging networking and best practice exchange
3. Developing our communications channels to keep members fully informed and reach new audiences
4. Providing the market intelligence that helps our members to make better business decisions
5. Assisting businesses to understand, access and trade in international markets
6. Celebration of this city region being a great place to live, work, study, visit, invest and do business
7. While lobbying and campaigning for the positive change that will make it even better
8. Playing a leading part in the main regional economic development and diversification initiatives
9. Delivering partnership projects in line with our strategic aims and offering new income opportunities
10. Playing a key role at the heart of the skills agenda

To support these activities and provide the best possible platform to ensure successful delivery, strong focus is placed on:

1. Our people
2. Our facilities and equipment
3. Our technology, systems and processes
4. Board and governance

The Chamber aims to operate by and demonstrate the following modus operandi:

- We are proactive in seeking the views of key stakeholders and acting as a strong collective voice for business
- We are visible and high profile in the business community
- We are regarded as thought leaders but with a reputation for doing rather than just talking
- We are fully engaged in shaping and influencing the key regional economic development and diversification agendas

- We seek to stimulate business, providing support, solving problems and opening doors through collaboration with partners in mutually beneficial activities
- We aim to introduce pace by cutting through red tape and inertia
- We act as a constructively-critical friend
- We are a challenger brand and ask members to join a cause, not a club
- We have our members at the heart of everything we do, creating a powerful and cohesive force that enables us to achieve together what we could not individually.

The Chamber aims to be an organisation that the best people aspire to work for. It operates in an inclusive, open and transparent way and fosters a culture of continuous improvement. We embrace equality and diversity in all its forms; are a living wage employer and aim to demonstrate and provide evidence of this where possible. The following values informed by our people guide our behaviours:

- We aim to provide the working environment and equipment that enables staff to enjoy and excel in their roles
- We are committed to the personal development of our people
- We operate a 'one team' ethos, working cross functionally to deliver our goals
- We are focused on the things that matter, challenging norms and accepted practice
- We promote innovative and creative behaviours, while remaining fanatical about the detail
- We work hard, have fun and celebrate success
- We shoot for the stars while accepting the moon is not a bad outcome
- We think and act like winners

### How do we measure success?

In addition to the financial metrics outlined in this report, our activities are geared towards delivering the following outcomes:

- Being seen as the 'go to' organisation for members and key stakeholders, when positive action is needed
- Establishing an even higher profile for AGCC with government, business and media
- Setting the business news agenda, not just commenting on it. When we speak, people listen... and act
- Bringing perceptions of AGCC in line with reality; stakeholders having a clearer understanding of what we do and the direct value we add to business and the regional economy
- The Chamber seen as the catalyst for deals being done and good things happening
- Increased productivity and competitive advantage for our members through ensuring the current and future regional workforce has the necessary skills and motivations
- Achieving greater breadth and depth of engagement with staff in member companies



# Director's report

- We are recognised as being representative of the whole North-east of Scotland and the key sectors driving its diverse economy
- Remaining one of the most successful and influential Chambers in the UK and the largest in Scotland
- Delivering growth in target membership categories and income from key services through our refreshed strategy and resultant activities

## Review of business

### 2019 review in words and numbers

Total membership numbers increased ending the year at 1,145 against the 2018 figure of 1,132. Our cohort of valued Premier Partners continued to grow, now at 33, reflecting the work the Chamber is leading on creating the economic conditions for future success.

11 issues of Business Bulletin were read by an aggregate 165,000 people in print, [www.agcc.co.uk](http://www.agcc.co.uk) had on average over 10,000 unique visitors per month, 15,500 people are signed up to receive monthly e-News and our social media followers grew 22% year on year to over 12,800.

Across the year the Chamber produced a total of 23 videos, predominantly for use on social media to promote our events, training and international trade offerings, and these garnered in excess of 25,000 views. Pay-per-click promotion was also increasingly undertaken during 2019, broadening our reach to new audiences and contributing to driving more than 12,000 visitors to the website across the year directly from social media posts.

The digital version of the Business Bulletin recorded a 94% rise in the number of readers. This reflects a more proactive push towards publicising the online issue however the overall number of monthly readers is still low (peaking at 556), reiterating the results of the most recent member survey which confirmed people still prefer the print version.

Total media coverage (using 'advertising equivalent value') for AGCC in 2019 was worth over £780,500 and saw the organisation referenced in a wide range of local, national and international media- including an appearance on the Chinese Global TV network! The tone of coverage was all either positive or neutral; with coverage creating more than eight million 'opportunities to see' Chamber messaging during the year.

Thousands of delegates attended the 82 events organised by the Chamber during the year including Offshore Europe business breakfast, the fourth Ultimate Business Show, Shire Connections, Visit Aberdeenshire tourism and annual employment law conferences. We held the first Northern Star Business Awards event at our new world class venue P&J Live which was attended by around 600 guests with 13 winners carrying off the much coveted titles. And there was also an uptake in the demand for our event management service.

The AGCC team issued 15,375 export documents ensuring \$873m of goods ranging from oilfield equipment and mini ice cream erasers to Pritt sticks to Egypt and horse mackerel to Benin and Togo left this region and safely reached 115 destination markets globally.



Offshore Europe Business Breakfast



Guests at Northern Star



Adam Marshall, Director General BCC



Andrea Leadsom with Policy Council members

During 2019 we increased the size of this team by 50% and worked with BCC and London Chamber to prepare and train staff for the launch in 2020 of new Chamber Customs and ATA Carnet document services which will be needed by business in the post EU world.

The Chamber continued to provide practical Brexit advice and support for businesses that are currently active in the import and export space including getting their concerns and 'asks' heard by policy makers via BCC. And we continued to facilitate engagement between government departments and business, such as our information session with the Home Office in August to inform members about the EU Settlement Scheme and its application process.

Additionally our communications and online Brexit Toolkit targeted all members many of whom, including ourselves, don't trade internationally but have staff from the EU and are unaware of the potential impacts on their business. We also continued to offer an expanded range of training courses to members to help them enhance their knowledge and capability.

Policy activity included a range of engagements with Ministers and elected members. The Chamber hosted roundtables with Ministers including the UK Government's Secretary of State for Business, Energy and Industrial Strategy Andrea Leadsom, Home Secretary Sajid Javid, Scottish Secretary David Mundell, Finance Secretary Derek MacKay MSP, Minister for Business, Fair Work and Skills Jamie Hepburn MSP, Minister for Trade, Investment and Innovation Ivan McKee MSP, and the Cabinet Secretary for the Rural Economy Fergus Ewing MSP.

In December, in the lead up to the general election, we hosted a hustings event with members from each of the major parties standing in the region and this was followed up by a series of post-poll meetings in London.

Throughout the year, we hosted briefing sessions with the region's MSPs, including Kevin Stewart, Gillian Martin, Mark McDonald and Lewis Macdonald to update them on the priorities of firms across the Aberdeen City Region, and the changes our members want to see on issues such as connectivity and non-domestic rates. As a result of our consistent calls for progress on the Aberdeen-Central Belt rail improvements, the project has now moved onto the list of rail priorities in the most recent Scottish draft Budget. And we supported this activity with meetings with regional MPs such as Andrew Bowie, Colin Clark and Kirsty Blackman to reinforce the importance of action on key reserved matters.

The research team gathered opinions from 5,350 respondents over the year across 10 different projects providing the intelligence that helps our members make better business decisions. This included responses to the annual Scottish Enterprise survey of international activity in the oil and gas sector and our biannual Oil & Gas survey which generated media coverage valued in excess of £140,000. Additional projects included work conducted on behalf of clients including Aberdeen Considine, VisitAberdeenshire, Scotia Homes, Developing the Young Workforce and Shell UK.

Our region continued to be viewed as one of the leaders in the DYW field in Scotland, demonstrating many elements of best practice and creating meaningful partnerships between business and education.



# Director's report

Through the efforts of the team in 2019 we worked with 16,350 young people through 623 separate engagements across 34 secondary schools in the region. 639 businesses were involved in the initiative delivering a wide range of inspirational workplace activities and 40 apprenticeships. As we move into 2020 there are 44 influencing and 13 collaborative partnerships signed off, with 138 engagement partnerships also being facilitated.

2019 was the best for commercial training in a number of years with 180 courses covering 68 subjects and attended by 1,179 delegates. 43 of these were bespoke in company courses with the main themes around management skills and customer service.

In March 2019 the Chamber successfully completed the pilot phase of Circular North-east, a circular economy project funded by Zero Waste Scotland. Following a short extension we were awarded a further two year contract with a potential 9 month extension. Our role continues to be to increase awareness and capacity around the circular economy in the region as well as helping local businesses access funding and support. We are now working with over 20 organisations on a one to one basis, we have 40 circular economy ambassadors and around 500 people receive a regular circular economy newsletter. Key focus sectors are construction, food and drink, energy infrastructure and tourism linked to the wider economic development ambitions for the region. The aim is to build a legacy for the project linked to supporting the region achieve its net zero ambitions.

Our commitment to delivering income generating partnership projects aligned with our strategic aims gathered pace during the year. 2019 was a significant one for the region with the realisation of a number of major infrastructure projects catalogued in our annual Investment Trackers. This in turn provided the backdrop to scale up the regional narrative work with the Absolutely campaign and resources hub gaining some real traction in the 2nd half of the year. Additionally, on behalf of a group of partners, the Chamber led on a 'city region with energy' PR programme telling the story of a renaissance region to audiences in the UK and beyond. And the focus on making good things happen in the region that otherwise would not by engaging future business leaders in the place-making agenda through the Vanguard programme.

During 2019, the strengthening collaboration with Glasgow and Edinburgh Chambers focused on a consultancy project, supported by Scottish Enterprise identifying new ways in which the network can support national economic development ambitions.

All of this added up to:

- Annual revenue of £2.75m compared to £2.65m in 2018
- An operating surplus of £85,749 (2018: £58,395)
- Net surplus after tax of £206,025 (2018: £32,803)
- Reserves increased to £1,160,777 representing 42% of turnover (2018: £954,752 & 36% of turnover)



DYW-their future is your business



Vanguard- making good things happen in the region

## 2020 focus

Building on the successes and challenges of 2019, AGCC's future activities remain guided by our five year strategy with operational focus in 2020 on the following:

- Recruiting great new staff to complement our existing team giving us the firepower to achieve our plans
- Launching new membership offer and benefits package
- Refreshing our events programme ensuring this provides great learning and networking opportunities
- Maximising our new documentation services to support companies that export and import
- Coordinating the establishment of a regional partnership to promote export start-up and growth
- Providing practical advice and support as the trade implications of Brexit become clear
- Undertaking a strategic review of the training market in the region
- Launching the new agcc.co.uk website
- Reaching new audiences with enhanced marketing and communications activity
- Further raising the profile of Business Bulletin as the region's premier monthly business publication
- Continuing our role as co-author and delivery partner in Regional Economic Strategy
- Leading on coordinating this region's COP 26 presence and energy transition credentials
- Contributing to net zero planning through the Circular North-east engagement programme
- Making good stuff happen in the region through our Vanguard future leaders initiative
- Growing and rebranding our research service; establishing a presence in the central belt in partnership with Glasgow and Edinburgh Chambers

## Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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

On behalf of the board

*Russell Borthwick*

Russell Borthwick  
director



Looking to the future



# 2019 in numbers

**180**   
**courses**

run by the Chamber  
Attended by

**1,179**   
people in North-east  
businesses

Annual income  
**£2.75m**



**33**  
**Premier partners**

Thousands of delegates  
developed their knowledge and  
created business opportunities at  
82 Chamber events

Business Bulletin reaches  
**15,000**  
readers every month

The Chamber website has  
**10,000**  
unique monthly visitors

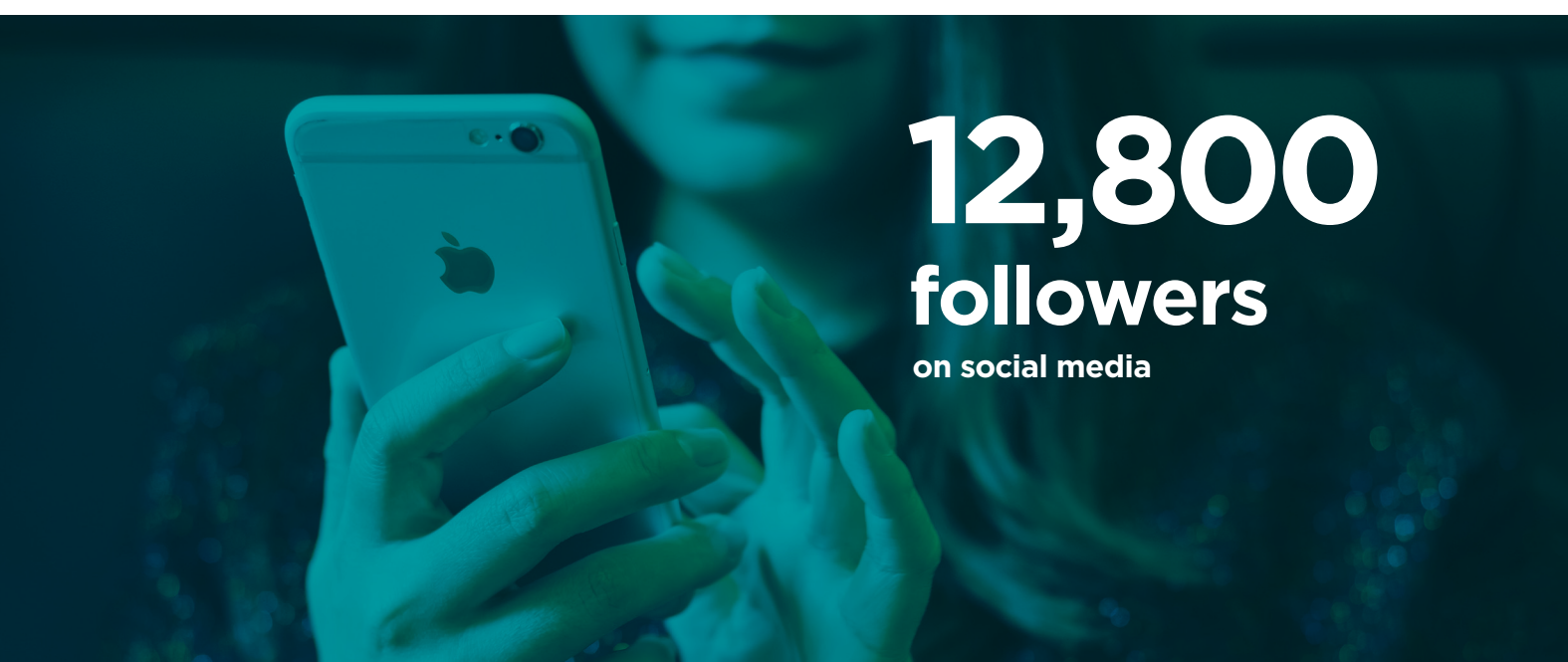
**£781,000**  
media coverage

creating over 8m opportunities  
for Chamber news to be seen

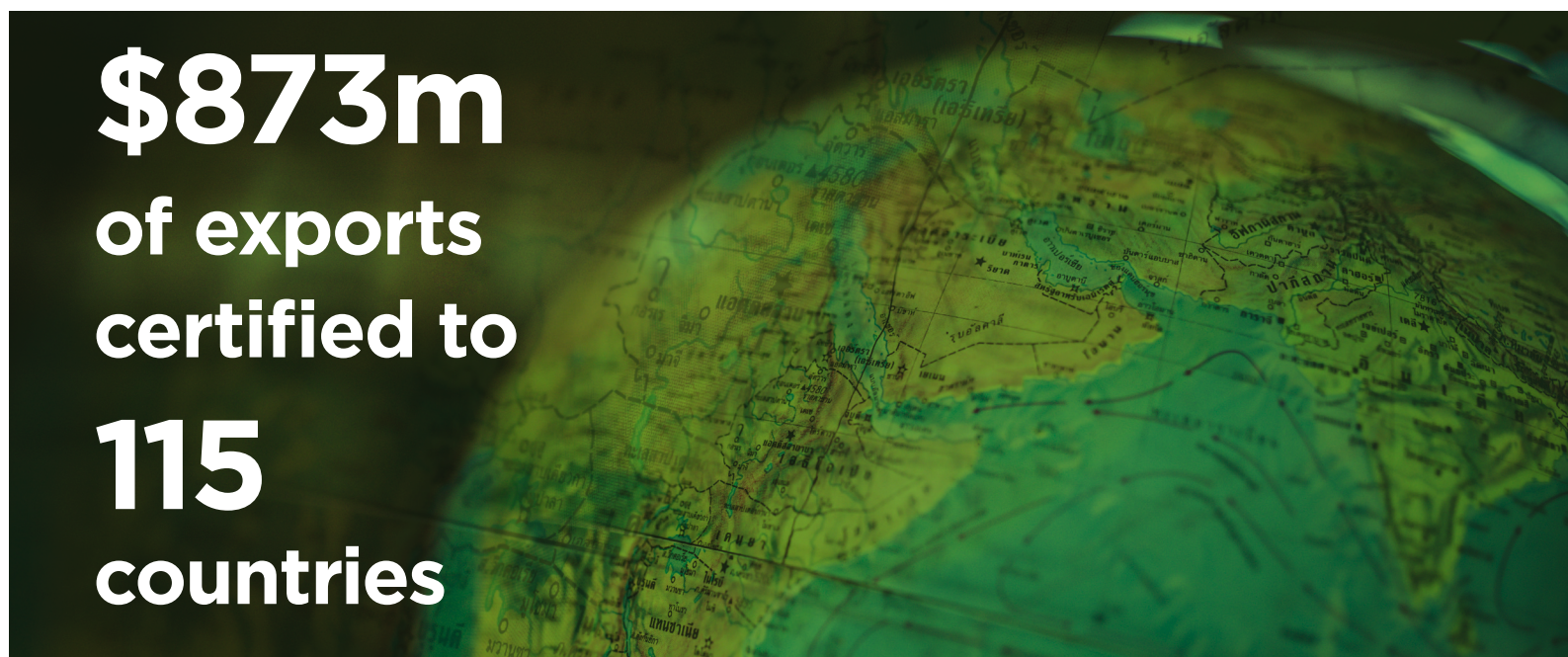




# 2019 in numbers



**12,800**  
followers  
on social media



**\$873m**  
of exports  
certified to  
**115**  
countries



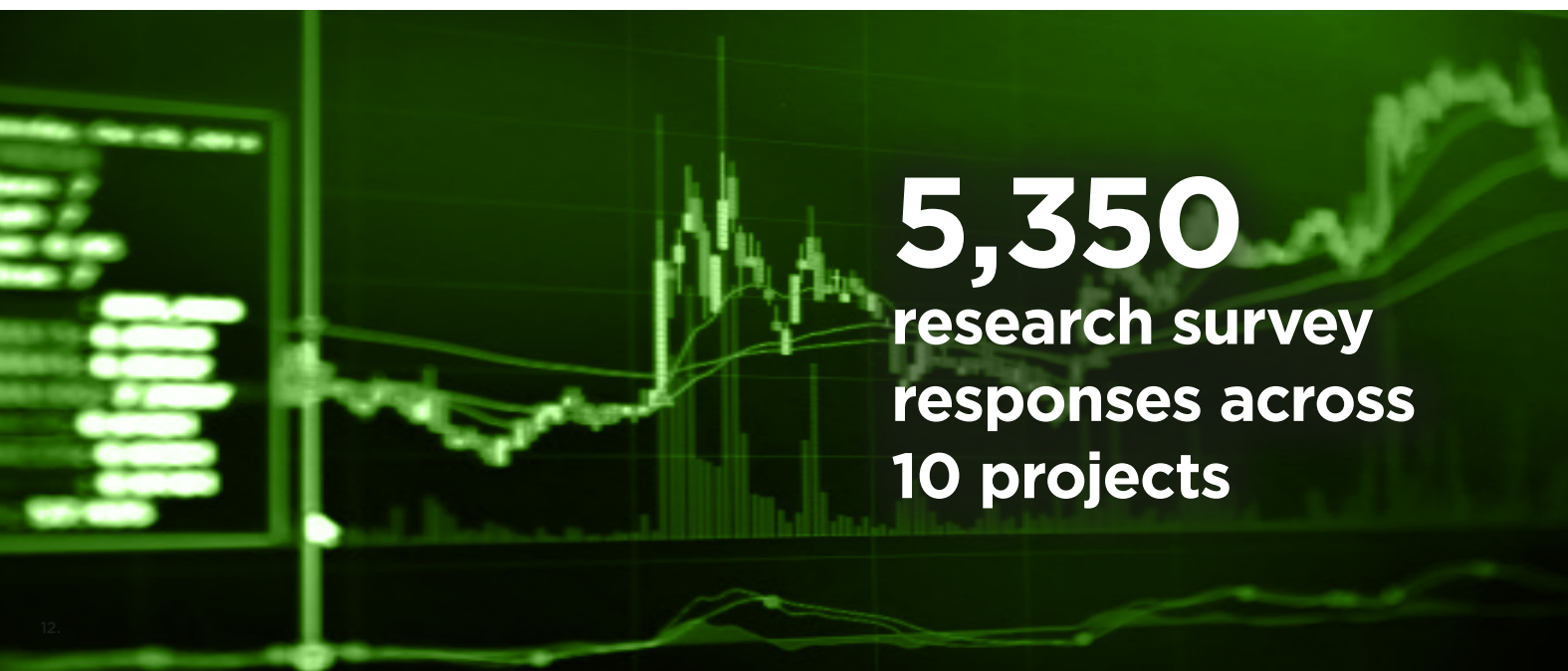
**16,350** young people  
reached, through **623**  
engagements, involving  
**639** different businesses

**DYW** **NORTH EAST**  
The vital link connecting  
schools and businesses



 Northern  
Star 2019  
Business  
Awards

**13 awards**  
**600 guests**



**5,350**  
research survey  
responses across  
**10 projects**



**1,145**  
members



# Financial statements

## Year ended 31 December 2019

	2019 £	2018 £
Income	2,751,109	2,652,090
Cost of sales	(821,565)	(780,021)
<b>Gross surplus</b>	1,929,544	1,872,069
Administrative expenses	(1,843,795)	(1,813,674)
<b>Operating surplus</b>	85,749	58,395
Interest receivable and similar income	1,612	14,621
Unrealised gain / (loss) on investment valuation	120,095	(68,101)
<b>Surplus before taxation</b>	207,456	4,915
Tax on surplus	(22,090)	27,888
<b>Surplus for the financial year</b>	185,366	32,803

## Balance sheet as at 31 December 2019

	2019 £	2018 £
<b>Fixed assets</b>		
Tangible assets	78,149	63,309
Investments	919,119	813,731
	997,268	877,040
<b>Current assets</b>		
Debtors	283,273	526,421
Cash at bank and in hand	694,229	352,071
	977,502	878,492
<b>Creditors</b>		
Amounts falling due within one year	(811,435)	(799,670)
<b>Net current assets</b>	166,067	78,822
<b>Total assets less current liabilities</b>	1,163,335	955,862
<b>Provision for liabilities</b>	(23,217)	(1,110)
<b>Net assets</b>	1,140,118	954,752
<b>Reserves</b>		
Income and expenditure account	1,140,118	954,752

These summary financial statements have been extracted from the full annual accounts which were approved by the Board on April 21 2020, however these summary statements have not been separately audited.







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The Hub  
Exploration Drive  
Aberdeen Energy Park  
Bridge of Don  
Aberdeen  
AB23 8GX

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**T** 01224 343900  
**E** [info@agcc.co.uk](mailto:info@agcc.co.uk)  
**[www.agcc.co.uk](http://www.agcc.co.uk)**

