

Manchester Camerata Limited
Annual Report and Financial Statements
For the year ended
31 May 2002



MANCHESTER CAMERATA LIMITED

Year ended 31 May 2002

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MANCHESTER CAMERATA LIMITED

Year ended 31 May 2002

Legal and administrative information

Company Number	1128463
Charity Number	503675
Board of Members	RM Grindrod CJ Taylor R L Zoltie CJQ Brooks AF Brearey R Robinson R Wigley (appointed 7/10/02) K Naismith (resigned 21/10/02) L Robinson (resigned 25/3/02) D P Storer (resigned 2/9/02) C M Yates (resigned 1/7/02) A Roden (appointed 1/7/02 and resigned 21/10/02)
Secretary	C Kirrane (appointed 7/10/02) K Naismith (resigned 7/10/02)
Registered Office	Zion Arts Centre Stretford Road Manchester M15 5ZA
Auditors	Lloyd Piggott Chartered Accountants and Registered Auditors Blackfriars House Parsonage Manchester M3 2JA
Bankers	National Westminster Bank plc 699 Wilmslow Road Manchester M20 6NW

MANCHESTER CAMERATA LIMITED

Trustees Annual Report – year ended 31 May 2002

The Trustees have pleasure in presenting their report and the financial statements of the charity for the year ended 31 May 2002. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and reporting by Charities

Legal Status

Manchester Camerata Limited is a company limited by shares, charity registration number 503675. The directors of the charitable company are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The trustees had no beneficial interest in the charitable company. The trustees in office at the date of this report are set out on page 1.

Governing Document and Constitution

The charity is governed by Articles and Memorandum of Association for the incorporated company. The governing documents instruct the trustees to act in a way to promote the objects of the charity.

Object and Organisation of the Charity

The charity was formed in 1973 to operate the Manchester Camerata and its associated activities. The Annual General Meeting of the charity elects the trustees and honorary officers, appoints auditors and considers and approves the annual report and audited accounts for the preceding year's activities.

Activities of the Charity

The orchestra undertook the following concerts in the course of the year:

Manchester (Bridgewater Hall)	6 concerts
Manchester (Royal Northern College of Music)	4 concerts
Crewe and Nantwich	4 concerts
Colne	4 concerts
Stoke	2 concerts
Engagements	31 concerts

Throughout the year, the orchestra performed a range of chamber orchestra repertoire to an exceptionally high standard, featuring guest artists of international repute such as Renaud Capucon, Raphael Wallfisch, Randi Steine, Adrian Thompson and Gordan Nikolitch. Douglas Boyd conducted thirteen concerts, in this his inaugural season as the orchestra's Principal Conductor and Artistic Director.

Following the closure of The Bridgewater Hall on New Year's Eve 2000, the orchestra was able to reinstate its traditional Opera Gala concert on 31st December 2001. Combined with the regular Viennese Gala concert on New Year's Day an increased profit was achieved.

The orchestra embarked upon a significant new residency in Rhyl in partnership with the Pavilion Theatre and Denbighshire Local Education Authority, courtesy of a two-year grant from the Arts Council of Wales. During the year, the orchestra presented four orchestral concerts, including one specifically for school children, as well as a range of educational workshops in schools.

MANCHESTER CAMERATA LIMITED

Trustees Annual Report (continued) – year ended 31 May 2002

Unfortunately, it was not possible to present the traditional music and fireworks extravaganza at Cholmondeley Castle in July as planned, due to the Foot and Mouth outbreak. Instead, the orchestra presented two Last Night of the Proms concerts at the Victoria Hall in Hanley. Due to restricted capacity, the concerts did not produce the financial return possible at such a large outdoor venue as Cholmondeley Castle.

The orchestra's education and community programme continued to flourish and to maintain and develop links with a range of new and existing partners such as The Bridgewater Hall Community Education Trust, Egerton Park Arts College, The Dark Horse Venture, and local authority music services throughout Greater Manchester. Members of the orchestra co-curated a major interactive public exhibition in partnership with The Whitworth Art Gallery – *The Art of Noise*, as well as undertaking a major series of creative workshops in primary and special schools in Cheshire in partnership with the County Council Music Service.

Additional work in Cheshire included a very successful chamber music course again in partnership with the Music Service, an ensemble tour of primary schools as part of the Cheshire Rural Touring Network, a further Young Musician of the Year in Cheshire Schools, with support from Galliford and a major 20-week project working with under 5s in Crewe and Nantwich, funded by the National Foundation for Youth Music.

In Greater Manchester, the Big Bridgewater Challenge workshops continued to attract large numbers of children from across all ten local authorities, whilst the Friends Orchestra involved increasing numbers of enthusiasts of all ages and abilities.

The Company continues to liaise closely with the Hallé, the BBC Philharmonic and other orchestras and organisations, to ensure that a comprehensive and complementary programme is presented.

There are no sources of services or facilities other than those reflected in the accounts.

All of the Company's funds are devoted solely and directly to the achievement of its stated aims and objectives.

The Company was awarded a Capital Grant from the Lottery in order to purchase IT equipment, office furniture, musical instruments to enhance delivery of the education programme and the development of a web-site. Both fixed and current assets are accurately reflected in the accounts.

Review of the Financial Position During the Year Ended 31 May 2002

In the year under review the Company's activities resulted in a trading deficit of £85,598 which increased the accumulated deficit shown in the balance sheet to £347,633.

In March 2002 the Company submitted an application to the Arts Council of England for a Recovery Plan. In May, the Company was formally accepted onto the Recovery Programme and awarded funding of £344,981 over two years, which included debt mitigation.

The Board of Directors are extremely grateful to the Arts Council of England, North West Arts and all of the Company's stakeholders, in working to ensure the future viability of Manchester Camerata.

MANCHESTER CAMERATA LIMITED

Trustees Annual Report (continued) – year ended 31 May 2002

Review of the Financial Position During the Year Ended 31 May 2002 (continued)

The Company received approximately 14% of its income from NWAB and we are extremely pleased by this significant expression of support. We are also very grateful for the support we have received from AGMA and the Musicians' Union, which has agreed to write off an outstanding loan of £50,000 as a result of our Recovery award. The Company received a further 12% of its income from private sponsors, trusts, covenants and donations. There are no individual sources of such income which are critical to the finances of the Company.

Directors and Trustees

The trustees at the year end and their non-beneficial interests in the charitable company's issued ordinary share capital at the beginning and end of the year was as follows:-

	<u>Ordinary Shares of £1 each</u>	
	31 May 2002	31 May 2001
K Naismith (resigned 21/10/02)	50	50
R M Grindrod	50	50
C J Taylor	-	-
A F Brearey	-	-
R L Zoltie	-	-
C J Q Brooks	-	-
L Robinson (resigned 25/3/02)	-	-
D P Storer (resigned 2/9/02)	-	-
R Robinson	-	-
C M Yates (resigned 1/7/02)	-	-
A Roden (appointed 1/7/02 and resigned 21/10/02)	-	-
R J Wigley (appointed 7/10/02)	-	-

Responsibilities of the Trustees

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of the incoming and outgoing resources for the year then ended.

In preparing those financial statements, the trustees are required to select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent. The trustees must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Reserve Policy

As a result of being accepted onto The Arts Council Recovery Programme, the trustees' policy is to establish a level of unrestricted reserves to provide sufficient funds to maintain liquidity to cover short-term emergency cash requirements. This policy will be reviewed on a regular basis in line with progress through the Recovery Programme.

Risk Policy

The major risks to which the Company is exposed, as identified by the trustees, have been reviewed and systems implemented to mitigate those risks.

MANCHESTER CAMERATA LIMITED

Trustees Annual Report (continued) – year ended 31 May 2002

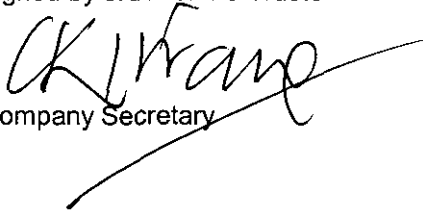
Auditors

A resolution to re-appoint Lloyd Piggott, Chartered Accountants and Registered Auditor as auditors for the ensuing year will be proposed at the Annual General Meeting in accordance with section 385 of the Companies Act 1985.

Special Exemptions

We have taken advantage in the preparation of the Trustees' Report of the special provisions of Part VII of the Companies Act 1985 applicable to small companies.

Signed by order of the Trustees


Company Secretary

Approved by the Trustees on 21 March 2003

MANCHESTER CAMERATA LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
YEAR ENDED 31 MAY 2002**

We have audited the financial statements on pages 7 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described on page 4, the trustees who also act as directors of the charitable company are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements, and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion, the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 May 2002, and of its incoming resources and application of resources, including its income and expenditure in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

LLOYD PIGGOTT
Chartered Accountants and
Registered Auditors
Blackfriars House
Parsonage
Manchester
M3 2JA



Dated: 25 March 2003

MANCHESTER CAMERATA LIMITED

**Statement of financial activities
for the year ended 31 May 2002**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2002 £	Total 2001 £
Incoming resources					
Revenue grants and donations	2	138,780	28,584	167,364	162,917
Activities in furtherance of the charity's objects:	3	370,559	-	370,559	492,854
Activities to generate funds:	4	31,178	-	31,178	30,750
Investment income	5	607	-	607	920
		-----	-----	-----	-----
Total incoming resources		541,124	28,584	569,708	687,441
		=====	=====	=====	=====
Resources expended					
Cost of generating funds:	6	19,293	-	19,293	11,360
Charitable expenditure:					
Costs in furtherance of the charity's objects	7	572,732	16,070	588,802	753,384
Management and administration	8	34,697	12,514	47,211	30,089
		-----	-----	-----	-----
Total resources expended		626,722	28,584	655,306	794,833
		=====	=====	=====	=====
Net resources expended for the year		(85,598)	-	(85,598)	(107,392)
Balances brought forward		(262,035)	-	(262,035)	(154,643)
		-----	-----	-----	-----
Balances carried forward		(347,633)	-	(347,633)	(262,035)
		=====	=====	=====	=====

MANCHESTER CAMERATA LIMITED

Balance Sheet at 31 May 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	11		31,496		1
Current assets					
Debtors	12	64,297		47,332	
Cash at bank and in hand		17,320		82,070	
		-----		-----	
		81,617		129,402	
Creditors – Amounts falling due within one year	13	460,646		391,338	
		-----		-----	
Net current liabilities			(379,029)		(261,936)
			-----		-----
			(347,533)		(261,935)
			=====		=====
Capital and reserves					
Called up share capital	14		100		100
Funds					
Unrestricted - charitable funds			(347,633)		(262,035)
			-----		-----
Total capital and reserves			(347,533)		(261,935)
			=====		=====

Advantage is taken in the preparation of these financial statements in accordance with the special provisions of Part VII of the Companies Act 1985, relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the members of the committee on 21 March 2003 and signed on their behalf by:

Director



Notes to the financial statements – year ended 31 May 2002

1. Accounting policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the *Financial Reporting Standard for Smaller Entities (effective June 2002)*, the Companies Act 1985, applicable accounting standards and follow the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2000) issued in October 2000.

Cashflow Statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No. 1 (revised) from including a cash flow statement in the accounts on the grounds that the charity qualifies as a small company.

Donations and Gifts

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided that there are no donor imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre condition is met.

Gifts in kind are accounted for at the trustees' estimate of value to the charity or sale value as follows :

- assets received for distribution by the charity are recognised only when distributed
- assets received for resale are recognised, where practicable, when receivable or otherwise when sold; and
- gifts of material fixed assets for charity use or funds acquiring fixed assets for charity use are accounted for as restricted funds immediately on receipt.

Intangible income is valued and included in income to the extent that it represents goods or services which would otherwise be purchased. An equivalent amount is charged as expenditure. Voluntary help is not included as income.

Cash collected to which the charity is legally entitled but which has not been received at the year end is included as income.

Donations under gift aid together with the associated income tax recoveries are credited as income when the donations are received.

MANCHESTER CAMERATA LIMITED

Notes to the financial statements (continued) – year ended 31 May 2002

Grants Receivable

Revenue grants are credited as income resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted income resources when receivable. If no restriction is placed on the future use of the asset a transfer is made from restricted to unrestricted funds.

Investment Income

Investment income, including associated income tax recovered, is recognised when receivable.

Resources Expended

Expenditure which is charged on an accruals basis, is allocated between:

- expenditure incurred directly in the fulfillment of the charity's objectives (direct charitable)
- expenditure incurred directly in the effort to raise voluntary contributions (fundraising and publicity); and
- expenditure incurred in the management and administration of the charity

Fund Accounting

Restricted funds are to be used for specific purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Instruments, fixtures and equipment	36 months - straight line
Website	18 months - straight line

MANCHESTER CAMERATA LIMITED

Notes to the financial statements (continued) – year ended 31 May 2002

2. Revenue grants and donations

	Unrestricted Funds £	Restricted Funds £	Total Funds 2002 £	Total Funds 2001 £
Revenue grants				
North West Arts Board	79,355	-	79,355	75,283
Association of Greater Manchester Authorities	26,000	-	26,000	26,000
Borough of Crewe and Nantwich	7,170	-	7,170	7,170
Cheshire County Council	2,000	-	2,000	2,000
Arts for Everyone (Arts Council)	-	16,070	16,070	6,331
	-----	-----	-----	-----
	114,525	16,070	130,595	116,784
Donations and similar income				
Donations	7,620	-	7,620	25,547
Patrons' covenants and donations	15,425	-	15,425	13,098
Trust income	750	-	750	7,000
Artscard	460	-	460	488
Capital Lottery	-	12,514	12,514	-
	-----	-----	-----	-----
	138,780	28,584	167,364	162,917
	=====	=====	=====	=====

3. Activities in furtherance of the charity's objects

	2002 £	2001 £
Promotion income	104,317	240,474
Engagement income	203,149	225,433
Education and outreach	63,093	26,947
	-----	-----
	370,559	492,854
	=====	=====

4. Activities to generate funds

	2002 £	2001 £
Corporate sponsorship	23,596	30,750
Fundraising	1,885	0
Advertising sales	5,697	0
	-----	-----
	31,178	30,750
	=====	=====

5. Investment income

	2002 £	2001 £
Bank interest receivable	607	920
	=====	=====

MANCHESTER CAMERATA LIMITED

Notes to the financial statements (continued) – year ended 31 May 2002

6. Costs of generating funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2002 £	Total Funds 2001 £
Fund raising and publicity	19,293	0	19,293	11,360
	=====	=====	=====	=====

7. Costs in furtherance of charity's objects

	Unrestricted Funds £	Restricted Funds £	Total Funds Year £	Total Funds Year £
Orchestra and related staff costs	358,427	16,070	374,497	348,507
Conductors and soloists	55,395	-	55,395	96,308
Travel	8,532	-	8,532	9,136
Venue hire	37,239	-	37,239	72,534
Music and instruments	12,931	-	12,931	15,959
Equipment hire – outdoor concerts	-	-	-	84,437
Other	21,309	-	21,309	34,506
Programme costs	6,357	-	6,357	16,408
Marketing	72,542	-	72,542	75,589
	-----	-----	-----	-----
	572,732	16,070	588,802	753,384
	=====	=====	=====	=====

8. Management and administration

	Unrestricted Funds £	Restricted Funds £	Total Funds Year £	Total Funds Year £
Premises	2,746	-	2,746	2,902
Insurance	1,381	-	1,381	1,346
Telephone and postage	1,654	-	1,654	1,255
Stationery and office costs	1,683	-	1,683	1,442
Subscriptions and courses	215	-	215	200
Travel and entertaining	350	-	350	350
Administration salaries and costs	20,854	-	20,854	18,066
Professional charges	3,800	-	3,800	2,028
Bank charges	1,543	-	1,543	1,376
Other	471	-	471	224
Depreciation	-	12,514	12,514	900
	-----	-----	-----	-----
	34,697	12,514	47,211	30,089
	=====	=====	=====	=====

9. Operating deficit - is stated after charging:

	Year 2002 £	Year 2001 £
Depreciation of tangible assets	12,514	900
Auditor's remuneration	2,800	1,750

MANCHESTER CAMERATA LIMITED

Notes to the financial statements (continued) – year ended 31 May 2002

10. Staff costs

No remuneration or expenses was paid to trustees during the year (2001:£Nil).

No employee was paid more than £50,000 in the year. (2001: Nil).

The aggregate payroll costs of staff employed was as follows -

	Year 2002 £	Year 2001 £
Salaries and wages	142,031	111,183
Social security costs	8,748	9,024
	-----	-----
	150,779	120,207
	=====	=====
	2002	2001
The average number of full-time equivalent employees during the year, was as follows -		
Administrative and other non orchestral staff	7	7
	=====	=====

11. Tangible fixed assets

	Musical instruments £	Website £	Fixtures and equipment £	Total £
Cost				
At 1 June 2001	1,009	-	21,571	22,580
Additions	2,315	9,700	31,994	44,009
Disposals	(1,009)	-	(21,571)	(22,580)
	-----	-----	-----	-----
At 31 May 2002	2,315	9,700	31,994	44,009
	=====	=====	=====	=====
Depreciation				
At 1 June 2001	1,009	-	21,570	22,579
Charge for year	771	1,078	10,665	12,514
Disposals	(1,009)	-	(21,571)	(22,580)
	-----	-----	-----	-----
At 31 May 2002	771	1,078	10,664	12,513
	=====	=====	=====	=====
Net book value – 31 May 2002	1,544	8,622	21,330	31,496
	=====	=====	=====	=====
Net book value – 31 May 2001	-	-	1	1
	=====	=====	=====	=====

In November 2000, the charity was awarded a sum of up to £50,483 by Arts Council of England National Lottery Fund, towards the purchase of equipment and musical instruments. These assets are being depreciated over a three year period (Website – 18 months).

MANCHESTER CAMERATA LIMITED

Notes to the financial statements (continued) – year ended 31 May 2002

12. Debtors

	2002	2001
	£	£
Trade debtors	36,237	35,504
Prepayments	28,060	11,828
	-----	-----
	64,297	47,332
	=====	=====

13. Creditors - amounts falling due within one year

	2002	2001
	£	£
Bank loans and overdrafts	10,297	52,322
Trade creditors	93,591	56,627
Deferred income	63,183	24,936
Other creditors	293,575	257,453
	-----	-----
	460,646	391,338
	=====	=====

Restricted Fund

Deferred grant income (included in Deferred income) received for the purchase of equipment and musical instruments is being written off over the anticipated useful life of the assets to which it relates.

Restricted Fund

Arts for Everyone (Included in Other creditors)

Balance at beginning of year	(1,330)	6,577
Funding received in year – Arts Council	16,070	6,331
Expenditure in year	(5,477)	(14,238)
	-----	-----
	9,263	(1,330)
	=====	=====

Arts Council of England

Manchester Camerata Ltd made application to be included on to the Arts Council of England Recovery Programme in March 2002 and was accepted at the Council meeting on 21st May 2002. During the period leading up to the submission of the Recovery Plan funds totalling £200,000 (included in Other creditors) were received from Arts Council of England and North West Arts Board. As part of the Recovery Plan, it was agreed that these funds would be transferred to the income and expenditure account during the quarter ended 31st August 2002.

Musicians' Union

As part of the Recovery Plan, it was agreed that these funds totalling £50,000 (included in Other Creditors), which were provided by way of loan in 1995, would be transferred to the income and expenditure account during the quarter ended 31st August 2002.

MANCHESTER CAMERATA LIMITED

Notes to the financial statements (continued) – year ended 31 May 2002

14. Called up share capital

	<u>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>
<u>Authorised</u>		
Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
<u>Allotted, called up and fully paid</u>		
Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

The shares are held by two trustees on behalf of the Charity.