

The Hall for Cornwall Property Trust (Limited by Guarantee)

Trustees' report and consolidated financial statements

30 September 1997

Registered Company number 2525645
Registered Charity number 1001611



The Hall for Cornwall Property Trust (Limited by Guarantee)

Trustees' report and financial statements

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The Hall for Cornwall Property Trust (Limited by Guarantee)

Legal and administrative information

Name of the charity: The Hall for Cornwall Property Trust

Company registration number: 2525645

Charity registration number: 1001611

Governing instrument: Memorandum and articles of association

Constitution: Limited company

Charity objects: The main objects of the charity as defined by the Memorandum of Association are:

- To promote, maintain, improve and advance education particularly by the production of plays and the encouragement of the Arts including the arts of drama, ballet, music, singing, literature, sculpture and painting.

Charity trustees:

Ms CR Bowden-Dan (Secretary)
Miss JB Lofthouse
Mr JH Worlledge
Mr JL Beeching OBE TD JP
Mr BW Mansell OBE (Chairman)
Mr JP Williams
Mr G Richards
Mr MC Schute
Mr B Luxon CBE (President) (appointed 12 Sept 1996)
Mr TJ German (appointed 6 July 1996,
resigned 6 August 1997)

The above trustees constitute directors of the company for the purpose of the Companies Act 1985. No director has any beneficial interest in the company. All directors are members of the company and guarantee to contribute £1 in the event of a winding up.

Principal address of the charity: Hall for Cornwall
Back Quay
TRURO

Auditors: Robinson Reed Layton
Peat House
Newham Road
TRURO

Solicitors: Nalder & Son
Farley House
Falmouth Road
TRURO

The Hall for Cornwall Property Trust (Limited by Guarantee)

Legal and administrative information (*continued*)

Bankers:

Midland Bank
17 Boscawen Street
TRURO

Organisational structure:

The trustees are responsible for the overall management and control of the charity and receive regular reports from the company accountant.

The Hall for Cornwall Trust (Limited by Guarantee)

Trustees' report

For the year ended 30 September 1997

The trustees present their annual report and the accounts for the period to 30 September 1997.

Result for the period

The result for the period is shown in the statement of financial activities on page 6. The trustees are pleased with the progress made during the period.

Principal activity

The principal activity of the company during the period was the redevelopment of the interior of City Hall, Truro.

Review of financial activities and affairs

HFC Management Ltd changed its name to Hall for Cornwall Trust on 30 May 1997. The Trust has been responsible for fitting out the newly constructed venue and running the operation of the building thereafter.

The company received grants towards the construction project, though the inherent problems of converting a listed building into a state-of-the-art venue resulted in expenditure above the original contract sum. Despite these unforeseen problems, practical completion was achieved in October 1997, followed by the official opening of the venue on 15 November.

Since the launch of the venue's first programme of events, ticket sales have been consistently higher than projections, and audience reaction to the Hall extremely positive. Trustees are confident that this level of support will continue.

Many local community groups and arts organisations have benefited from the new facilities by staging productions and organising events, and it is anticipated that this level of use will continue. The Trust has also embarked on an ambitious programme of community arts and educational activities, including the Cornwall Young Composers' Competition, Cornwall Young Musicians' Competition, setting up a Performance Arts in Education Forum and leading a major heritage project for the county.

The accounting period end was changed to 30 September 1997 as this was the expected date for completion of the redevelopment of the Hall.

General reserve

The general reserve was in deficit at the period end. The reserve covers operation of the Box Office and administration. The high costs reflect the significant fundraising effort during the period. This deficit will be eliminated following the period end on receipt of the second tranche of grant totalling £250,000 from Carrick District Council.

Restricted Hall Development Fund

The restricted fund has arisen from various grants. The related expenditure is shown under assets in the course of construction.

The Hall for Cornwall Property Trust (Limited by Guarantee)

Trustees' report *(continued)*
For the year ended 30 September 1997

Tax status

The company being a registered charity is exempt from corporation tax on its investment and other non trading income.

Auditors

In accordance with Section 385 of the Companies Act, a resolution for the re-appointment of Robinson Reed Layton as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Statement of trustees' responsibilities

Law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial period which give a true and fair view of the charity's and group's financial activities during the period and of the financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

By order of the board



Claire Bowden-Dan
Secretary

29 June 1998

Hall for Cornwall
Back Quay
TRURO
TR1 2LL

The Hall for Cornwall Trust (Limited by Guarantee)

Auditors' report to the members of The Hall for Cornwall Trust (Limited by Guarantee)

We have audited the accounts on pages 6 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective responsibilities of trustees and auditors

As described on page 4 the trustees, who are also the directors of Hall for Cornwall Trust for the purposes of company law, are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on the accounts and to report our opinion to you.

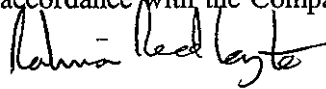
Basis of opinion

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 accounts. It also includes an assessment of the judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company'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 as to whether the accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the charitable company's state of affairs as at 30 September 1997 and of its incoming resources and application of resources, including its income and expenditure, in the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Robinson Reed Layton
Chartered Accountants
Registered Auditors

Peat House
Newham Road
TRURO
Cornwall
TR1 2DP

29 June 1998

The Hall for Cornwall Property Trust (Limited by Guarantee)

Consolidated statement of financial activities for the period ended 30 September 1997

	<i>Note</i>	Restricted funds £	Unrestricted funds £	Period to 30 September 1997 £	Year ended 31 March 1996 £
Incoming resources					
Grants receivable	4	1,953,311	-	1,953,311	295,000
Donations and subscriptions		-	58,572	58,572	25,513
Interest receivable		-	27,463	27,463	5,854
Net expenditure of trading subsidiary	5	-	(50,861)	(50,861)	(40,414)
Total incoming resources		1,953,311	35,174	1,988,485	285,953
Resources expended					
Project development and administration costs		-	8,547	8,547	171,208
Net incoming resources for the period	7	1,953,311	26,627	1,979,938	114,745
Funds at 1 April 1996		-	245,177	245,177	130,432
Funds at 30 September 1997		1,953,311	271,804	2,225,115	245,177

There were no acquisitions or discontinued operations within the group during the period to 30 September 1997 or the year ended 31 March 1996.

There are no recognised gains or losses in the period to 30 September 1997 or year to 31 March 1996 other than those passing through the statement of financial activities.

The Hall for Cornwall Property Trust (Limited by Guarantee)

Consolidated balance sheet

As at 30 September 1997

		The Group		The Charity	
	Note	30 September 1997 £	31 March 1996 £	30 September 1997 £	31 March 1996 £
Fixed assets					
Tangible fixed assets	8	1,966,082	12,027	1,957,650	441
Investment	9	-	-	2	2
		<u>1,966,082</u>	<u>12,027</u>	<u>1,957,652</u>	<u>443</u>
Current assets					
Stock	10	881	1,624	-	-
Debtors	11	958,787	21,791	958,689	14,498
Cash at bank and in hand		466,695	274,555	377,221	261,962
		<u>1,426,363</u>	<u>297,970</u>	<u>1,335,910</u>	<u>276,460</u>
Creditors: amounts falling due within one year	12	<u>(1,167,330)</u>	<u>(64,820)</u>	<u>(1,070,075)</u>	<u>(32,237)</u>
Net current assets		<u>259,033</u>	<u>233,150</u>	<u>265,835</u>	<u>244,223</u>
Net assets		<u>2,225,115</u>	<u>245,177</u>	<u>2,223,487</u>	<u>244,666</u>
Funds					
Restricted funds	13	1,953,311	-	1,953,311	-
Unrestricted funds					
General reserve	14	60,088	33,461	58,460	32,950
Designated development reserve	15	211,716	211,716	211,716	211,716
		<u>2,225,115</u>	<u>245,177</u>	<u>2,223,487</u>	<u>244,666</u>

These financial statements were approved by the board of trustees on
and were signed on its behalf by:

14 June 1998

Trustee



Brian Mansell

The Hall for Cornwall Property Trust (Limited by Guarantee)

Notes to the financial statements

For the year ended 30 September 1997

1 Constitution

The company was incorporated under the Companies Act 1985 as a company Limited by Guarantee and not having a share capital. In the event of a winding up of the company the liability of each member towards the debts and liabilities of the company will not exceed £1.

2 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards and follow the recommendations in Statement of Recommended Practice: Accounting by Charities. As a consequence, the financial statements do not include an income and expenditure account in the form specified by the Companies Act 1985. This is a departure from the statutory format of financial statements but is required by S226(5) Companies Act 1985 to enable the financial statements to give a true and fair view.

Consolidated financial statements have been prepared in respect of the charitable company ("charity") and Hall for Cornwall Limited. The results of Hall for Cornwall Limited have been consolidated into the statement of financial activities on the basis of the net profit before transfers to the charity. In accordance with section 230 of the Companies Act 1985, a separate statement of financial activities for the charity has not been presented.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Investment

The investment is stated at cost.

Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets over their estimated useful lives on a reducing balance basis as follows:-

Fixtures and fittings	-	20% per annum
Assets under the course of construction	-	Nil

Stock

Stock is valued at the lower of cost and net realisable value.

Grants

Grants are credited to the statement of financial activities when they are receivable. Depreciation on assets financed by capital grants will be charged against the relevant restricted fund.

The Hall for Cornwall Property Trust (Limited by Guarantee)

Notes to the financial statements

For the year ended 30 September 1997

2 Accounting policies (continued)

Funds

Restricted funds are to be used for specified purposes as laid down by the donor.

Unrestricted funds are donations and other incoming resources received or generated for charitable purposes.

Designated funds are unrestricted funds earmarked by the directors for particular purposes.

3 Donations and subscriptions

Donations and subscriptions are credited to the statement of financial activities when they are received.

4 Grants receivable

	Period ended 30 September 1997 £	Year to 31 March 1996 £
National Lottery Fund	820,226	-
European Regional Development Fund	728,412	-
English Partnerships	366,954	-
Other capital grants	37,719	-
Carrick District Council	-	250,000
Hedley Trust	-	30,000
Esmee Fairbairn	-	15,000
	<hr/> 1,953,311 <hr/>	<hr/> 295,000 <hr/>

The Hall for Cornwall Property Trust (Limited by Guarantee)

Notes to the financial statements For the year ended 30 September 1997

5 Net expenditure of trading subsidiary

The charity holds the whole of the issued share capital of Hall for Cornwall Limited, a company registered in England and Wales.

Relevant financial information regarding Hall for Cornwall Limited is as follows:

	Period ended 30 September 1997 £	Year ended 31 March 1996 £
Turnover	175,214	228,907
Cost of sales	(45,205)	(129,910)
	<hr/>	<hr/>
Gross profit	130,009	98,997
Administrative expenses	(180,714)	(138,611)
	<hr/>	<hr/>
Loss before taxation	(50,705)	(39,614)
Taxation	(156)	(800)
	<hr/>	<hr/>
Loss for the financial period	(50,861)	(40,414)
	<hr/>	<hr/>

The results of Hall for Cornwall Limited have been consolidated on the basis of the net loss before transfers to the charity. The gross income of the group totals £2,214,560 (1996: £555,274) and the gross expenditure totals £189,417 (1996 : £440,529).

6 Staff numbers and costs

The average number of persons employed by the group (including directors) during the period was 13 (1996: 17).

The aggregate payroll costs of these persons were as follows:

	Period ended 30 September 1997 £	Year to 31 March 1996 £
Wages and salaries	160,723	131,808
Social security costs	14,475	9,943
	<hr/>	<hr/>
	175,198	141,751
	<hr/>	<hr/>

The Hall for Cornwall Property Trust (Limited by Guarantee)

Notes to the financial statements For the year ended 30 September 1997

6 Staff numbers and costs *(continued)*

The directors of the charitable company are the trustees under charity law and received no remuneration, either from the charity or trading company.

The directors of the subsidiary company received emoluments of £59,667 (1996 : £44,000).

Four trustees received reimbursement for travel and meetings expenses totalling £601 (1996: £158).

7 Net incoming resources for the period is stated after charging:

	Period ended 30 September 1997 £	Year to 31 March 1996 £
Auditors remuneration	2,500	1,250
Accountancy fees paid to auditors	500	-
Depreciation	3,571	3,610
	<hr/>	<hr/>

8 Tangible fixed assets

Group	Assets in the course of construction £	Fixtures and fittings £	Total £
Cost			
At 1 April 1996	-	23,525	23,525
Additions	1,957,297	329	1,957,626
	<hr/>	<hr/>	<hr/>
At 30 September 1997	1,957,297	23,854	1,981,151
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 1996	-	11,498	11,498
Charge for year	-	3,571	3,571
	<hr/>	<hr/>	<hr/>
At 30 September 1997	-	15,069	15,069
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 September 1997	1,957,297	8,785	1,966,082
	<hr/>	<hr/>	<hr/>
At 31 March 1996	-	12,027	12,027
	<hr/>	<hr/>	<hr/>

The Hall for Cornwall Property Trust (Limited by Guarantee)

Notes to the financial statements For the year ended 30 September 1997

8 Tangible fixed assets *(continued)*

Charity	Assets in the course of construction £	Fixtures and fittings £	Total £
Cost			
At 1 April 1996	-	1,218	1,218
Additions	1,957,297	-	1,957,297
	<hr/>	<hr/>	<hr/>
At 30 September 1997	1,957,297	1,218	1,958,515
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 1996	-	777	777
Charge for period	-	88	88
	<hr/>	<hr/>	<hr/>
At 30 September 1997	-	865	865
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 September 1997	1,957,297	353	1,957,650
	<hr/>	<hr/>	<hr/>
At 31 March 1996	-	441	441
	<hr/>	<hr/>	<hr/>

9 Investment

Charity	£
Investment in subsidiary company at cost	
At 30 September 1997 and 1 April 1996	2
	<hr/>

The charity holds all of the issued share capital of Hall for Cornwall Limited, a company registered in England and Wales.

10 Stock

Group	30 September 1997 £	31 March 1996 £
Goods for resale	881	1,624
	<hr/>	<hr/>

The Hall for Cornwall Property Trust (Limited by Guarantee)

Notes to the financial statements For the year ended 30 September 1997

11 Debtors

	Group		Charity	
	30 September	31 March	30 September	31 March
	1997	1996	1997	1996
	£	£	£	£
<i>Amounts falling due within one year:</i>				
Trade debtors	-	7,293	-	-
Other debtors	64,236	12,898	64,236	12,898
Income tax recoverable	1,080	1,600	1,080	1,600
Prepayments and accrued income	893,471	-	893,373	-
	<u>958,787</u>	<u>21,791</u>	<u>958,689</u>	<u>14,498</u>

12 Creditors: amounts falling due within one year

	Group		Charity	
	30 September	31 March	30 September	31 March
	1997	1996	1997	1996
	£	£	£	£
Trade creditors	105,926	30,234	102,280	25,080
Amount owed to subsidiary undertaking	-	-	-	4,111
Amount owed to The Hall for Cornwall Trust	962,998	-	915,469	-
Other creditors including taxation and social security costs	19,567	6,628	-	-
Accruals and deferred income	78,839	27,958	52,326	3,046
	<u>1,167,330</u>	<u>64,820</u>	<u>1,070,075</u>	<u>32,237</u>

13 Restricted funds

Group and Charity	Hall Development fund £
Incoming resources	<u>1,953,311</u>
Balance at 30 September 1997	<u>1,953,311</u>

The Hall for Cornwall Property Trust (Limited by Guarantee)

Notes to the financial statements For the year ended 30 September 1997

14 General reserve

	Group		Charity	
	30 September 1997	31 March 1996	30 September 1997	31 March 1996
	£	£	£	£
Balance at 31 March 1996	33,461	46,299	32,950	46,155
Net incoming/(outgoing) resources for the period	26,627	(12,838)	25,510	(13,205)
Balance at 30 September 1997	<u>60,088</u>	<u>33,461</u>	<u>58,460</u>	<u>32,950</u>

15 Designated development reserve

Group and charity	Balance at 31 March 1996 £	Balance at 30 September 1997 £
	<u>211,716</u>	<u>211,716</u>

16 Commitments

	1997 £	1996 £
Capital commitments at the end of the financial year for which no provision has been made	<u>-</u>	<u>5,000,000</u>

17 Analysis of group net assets between funds

	Restricted funds £	Unrestricted funds £	Total £
Tangible fixed assets	1,953,311	12,771	1,966,082
Current assets	1,166,188	260,175	1,426,363
Current liabilities	<u>(1,166,188)</u>	<u>(1,142)</u>	<u>(1,167,330)</u>
	<u>1,953,311</u>	<u>271,804</u>	<u>2,225,115</u>

The Hall for Cornwall Property Trust (Limited by Guarantee)

Notes to the financial statements

For the year ended 30 September 1997

18 Related party transactions

The trustees of The Hall for Cornwall Property Trust (The Property Trust) are also the trustees of The Hall for Cornwall Trust (The Trust). During the period, The Property Trust paid for renovation work on behalf of The Trust amounting to £22,554.

The Property Trust received grant monies of £2,669,213 relating to work carried out by The Trust.

At the period end, The Property Trust owed The Trust £915,469.