

Company Registration Number **2913221**

The Manchester Concert Hall Limited

Report & Accounts

31 March 2007



Company Registration No 2913221, Charity Registration No 1040342

CURRENT DIRECTORS

Rodger Pannone (Chairman)
Sir Howard Bernstein
Councillor Mark Hackett
Colin Smith
Warren Smith

SECRETARY

Manchester Professional Services Limited
PO Box 532
Town Hall
Manchester M60 2LA

AUDITORS

Percy Westhead & Company
Chartered Accountants and Registered Auditors
Greg's Buildings
1 Booth St
Manchester
M2 4AD

SOLICITORS

The City Solicitor
Town Hall
Manchester
M60 2LA

BANKERS

The Co-operative Bank plc
Olympic House
6 Olympic Court
Salford
M5 2QP

REGISTERED OFFICE

Manchester City Council
P O Box 532
Town Hall
Manchester M60 2LA

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 March 2007

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Board currently consists of the Chairman and 4 directors. The Board receives detailed papers on the business to be conducted at each meeting in advance. All directors have access to the advice and services of the Company Secretary. The Company Secretary is responsible for advising the Board on Governance matters and for ensuring compliance with Board procedures.

Directors are appointed for their cultural, artistic and business expertise and receive induction on appointment to the Board that has been tailored to their individual needs.

Because the principal activity of the Board is to oversee the management contract for the Bridgewater Hall, the Chief Executive of Hallogen, (the operator of the Hall) attends all Board meetings to present progress reports on the operating contract.

OBJECTIVES AND ACTIVITIES

The Manchester Concert Hall Limited is a company limited by guarantee (reg no 2913221) and does not have any share capital. It is also a registered charity (No 1040342).

The Objects for which the company is established are to promote, maintain, improve, develop and advance public education by the encouragement of the Arts, including opera, drama singing, mime, dancing, painting and sculpture, cinema, literature and other arts and in particular to provide and operate a Concert Hall in the City of Manchester.

The company's responsibility is the provision and operation of the Bridgewater Hall, which is Manchester's Concert Hall.

The Bridgewater Hall is leased from Manchester City Council to the company at a peppercorn rental for a period of 35 years. The company is responsible within the lease for the operation of the Hall on terms acceptable to Manchester City Council and the company. The company itself has no fixed assets.

The company has appointed Hallogen as operator to manage the Bridgewater Hall on its behalf.

ACHIEVEMENTS AND PERFORMANCE DURING THE YEAR TO 31ST MARCH 2007

The principal activity of the company during the year has been to administer the operating contract for the Bridgewater Hall and to monitor the operator's compliance with the contract. The contract contains provisions relating to the artistic standards and programming for the Hall, as well as general operational standards.

Manchester Concert Hall Limited

In the period April 2006 to March 2007 the Board has met on one occasion and its business was

- To receive and consider minutes of the Artistic Policy Group set up to co-ordinate the artistic programme of the Hall. Membership of the group comprises the main users of the Hall - the Hallé Orchestra, the BBC Philharmonic, the Manchester Camerata Ensemble Orchestra, Hallogen and Raymond Gubbay promoter,
- To receive progress reports on Hallogen's operation of the Hall, their programming intentions and their marketing strategy,
- To consider reports on a review of the governance arrangements for the Hall,
- To receive a report setting out the progress of works being undertaken by Manchester City Council under the Asset Management Programme, and
- To consider and approve the directors' report and accounts for the year ended 31 March 2006

The Bridgewater Hall is a prestige music venue and key iconic building in Manchester. Hallogen, the operator of the Hall aims to deliver a world-class cultural programme to the Bridgewater Hall, comprising of classical and non-classical performances from the field of music, with a market appeal that transcends socio-economic barriers.

The Bridgewater Hall celebrated its tenth Birthday during the summer of 2006. Since the Hall opened in 1996 it has established a strong reputation as one of the country's leading concert halls for both classical and popular music, speech based events and small conferences.

Its acoustic is widely acclaimed, which has earned it an enviable national and international reputation. The role of the Board has been instrumental in guiding and supporting the Hallogen team to deliver within the original aspiration for the Hall established by Manchester City Council.

PLANS FOR FUTURE PERIODS

The Board has been considering its future governance arrangements for some time, but this is still ongoing since it has to take account of a number of external factors which increasingly impact on the wider strategic context in which the Hall operates, in particular the development of Gmex and the adjoining Conference Quarter and the development of an International Festival from 2006/2007.

The contract with the existing operator expires in September 2009 and the Board has started to address the post 2009 contract renewal. The composition of the Board will also be considered in the light of this work.

DIRECTORS AND THEIR INTERESTS

The company is limited by guarantee and the directors were all guarantors at the year-end Manchester City Council may appoint up to two directors of the Company The major risks to which the charity is exposed, as identified by the Directors have been reviewed and systems have been established to mitigate these risks

In the event of the winding-up or dissolution of the company, any surplus assets shall be given or transferred to some other charitable institution having charitable Objects similar to the Objects of the company

MEMBERS AND DIRECTORS

The members and directors who served during the year were as follows

	Date of Appointment	Date of Resignation
Rodger Pannone (Chairman)	09 05 94	-
Sir Howard Bernstein	09 05 94	-
Warren Smith	09 05 94	-
Colin Smith	11 09 00	-
Councillor Mark Hackett	19 01 04	09 07 07

FINANCIAL REVIEW

The company's accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards in compliance with the provisions of Part VII of the Companies Act 1985 and Part VI of the Charities Act 1993

The company's balance sheet as at 31 March 2007 shows a balance of £38,555 on the General Fund This balance remains sufficient to meet all outgoing items of expenditure and future plans and commitments

The balance on Designated Fund at 31st March 2007 was £16,666. As the operator makes no further contributions, Manchester City Council has now taken direct responsibility for the replacement of items of capital equipment within the Hall The operator still has a responsibility for the day-to-day maintenance costs of the building

The company received income from the Hallé Concerts Society by way of rent and interest on bank balances Expenditure represents management and administration costs and costs in monitoring the operator's performance in accordance with the Management Agreement

The company did not engage in any investment activity during the financial year

STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to give a true and fair view of the state of affairs of the company and of the net income or expenditure of the company for that period. In preparing these financial statements, the directors are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- Prepare the 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, which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SMALL COMPANIES EXEMPTIONS

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies. The statutory profit and loss account headings set out in the Companies Act have been amended to reflect the charitable nature of the company and that it is not trading for profit.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Elective resolutions to dispense with holding annual general meetings, the laying of accounts before the Company in a general meeting and the appointment of auditors annually are currently in force. The auditors, Percy Westhead and Company will therefore be deemed to have been re-appointed at the end of the period of 28 days beginning with the day on which copies of their report and accounts are sent to members unless a resolution is passed under Section 393 of the Companies Act 1985 to the effect that their appointment be brought to an end.

By order of the Board

For and on behalf of Manchester Professional Services Limited
Company Secretary

Date 31/10/07

Manchester Concert Hall Limited

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE MANCHESTER CONCERT HALL LIMITED

We have audited the financial statements of The Manchester Concert Hall Limited for the year ended 31st March 2007 on pages 8 to 12. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The directors' responsibilities for preparing financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) are set out on page 6.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st March 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements.

Percy Westhead & Company

Percy Westhead & Company
Chartered Accountants and Registered Auditors
Greg's Buildings
1 Booth Street
Manchester
M2 4AD

Date 7.11.2007

STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2007

	Notes	Unrestricted General Fund £	Designated fund for repair and maintenance of the Hall £	Total Unrestricted funds 2007 £	Total 2006 £
INCOMING RESOURCES (INCOME)					
Incoming resources from charitable activities					
Rental income from orchestra		23,000	-	23,000	23,000
Donations from Mcr City Council			241,524	241,524	116,824
		23,000	241,524	264,524	139,824
Incoming Resources from generated funds					
Investment income					
Bank interest receivable		2,587	13	2,600	1,798
Total incoming resources	2	25,587	241,537	267,124	141,622
RESOURCES EXPENDED (EXPENDITURE)					
Charitable Activities					
Monitoring the performance of the					
Operator of the Hall		5,451	-	5,451	4,284
Repair and maintenance of the Hall		-	239,762	239,762	125,875
Legal Fees		-	-	-	10,133
		5,451	239,762	245,213	140,292
Governance Costs	3	8,139	-	8,139	13,242
Total resources expended		13,590	239,762	253,352	153,534
NET INCOME/(EXPENDITURE)					
FOR THE YEAR	4	11,997	1,775	13,772	(11,912)
Balances brought forward at					
1st April 2006		26,558	14,891	41,449	53,361
BALANCES CARRIED FORWARD					
AT 31 MARCH 2007		38,555	16,666	55,221	41,449

There were no recognised gains or losses other than the net income for the year of £13,772 (2006 expenditure of 11,912)

Manchester Concert Hall Limited

BALANCE SHEET

At 31 March 2007

	Notes	2007 £	2006 £
CURRENT ASSETS			
Debtors	6	5,469	6,469
Cash at bank and in hand		62,812	43,576
		<u>68,281</u>	<u>50,045</u>
CREDITORS: amounts falling due within one year			
	7	13,060	8,596
TOTAL NET ASSETS		<u>55,221</u>	<u>41,449</u>
UNRESTRICTED FUNDS			
Designated fund	8	16,666	14,891
General fund	9	38,555	26,558
		<u>55,221</u>	<u>41,449</u>

The accounts have been prepared 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 January 2005) and Part VI of the Charities Act 1993

Approved by the Board
And signed for and on their behalf by



Rodger Pannone, Chairman

Date 31/10/07

NOTES TO THE ACCOUNTS

For the year ended 31 March 2007

1 ACCOUNTING POLICIES

Accounting Convention

The accounts are prepared under the historical cost convention and in accordance with The financial Reporting Standard for Smaller Entities (effective January 2005) and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005

Format of Accounts

The accounts have been prepared in a form required by the Companies Act 1985, although advantage has been taken of paragraph 3 (3) of part 1 of Schedule 4 to the Companies Act 1985 to adapt the format and headings of the accounts to recognise the special nature of the company's activities and the recommendations of the Statement of Recommended Practice "Accounting and Reporting by Charities"

Repair and Maintenance of the Bridgewater Hall

The capital repairing obligations of the Bridgewater Hall remain with Manchester City Council as Freeholder. The company, on behalf of Manchester City Council, previously invoiced the Operator for a contribution towards those costs. The amount of this contribution was specified in the lease agreement with the Operator. However, Manchester City Council agreed that the operator be released from the obligation to make further contributions from January 2004 onwards. The money is held in a designated fund (referred to as a 'sinking fund' in the Directors' report) in the accounts of the Manchester Concert Hall limited until such time as it is drawn down by the City Council to meet repair and maintenance expenditure. Once the fund has been exhausted, the ongoing capital repairing obligations of the Hall will be met by the City Council.

Incoming Resources

All incoming resources are included in the statement of financial activities on a receivable basis.

Resources Expended

Expenditure is recognised on an accruals basis as a liability is incurred and where possible is allocated to charitable activities. All other costs are treated as governance costs.

Taxation

The company, being a registered charity, is not liable for income and corporation tax on its net income.

2 INCOME

Turnover, which is stated net of value added tax, represents rent from the Halle Orchestra and donations from Manchester City Council.

Manchester Concert Hall Limited

NOTES TO THE ACCOUNTS

For the year ended 31 March 2007

3 GOVERNANCE COSTS

	2007	2006
	£	£
Insurance*	(565)	5,401
Legal & professional fees	7,529	6,841
Auditors' remuneration	1,175	1,000
	<u>8,139</u>	<u>13,242</u>

*Insurance includes £1,575 in respect of directors and officers liability insurance and a refund relating to Business Interruption (latent defects)

4 NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging/(crediting)

	2007	2006
	£	£
Auditors' remuneration	1,175	1,000
Directors' remuneration	-	-
Rental income from Orchestra	(23,000)	(23,000)

5 STAFF COSTS AND NUMBERS

The Manchester Concert Hall Limited does not employ any staff, the company is served by the staff of Manchester City Council for which a management charge is payable
No expenses were paid to the trustees during the year

6 DEBTORS

	2007	2006
	£	£
Trade debtors	5,460	5,753
Prepaid expenses	0	453
Other debtors	9	263
	<u>5,469</u>	<u>6,469</u>

7 CREDITORS

	2007	2006
	£	£
Other creditors and accruals	13,060	8,596
	<u>13,060</u>	<u>8,596</u>

Manchester Concert Hall Limited

NOTES TO THE ACCOUNTS

For the year ended 31 March 2007

8 UNRESTRICTED FUNDS - DESIGNATED FUND

This represents monies received for future repairs and maintenance of the Bridgewater Hall. The Manchester Concert Hall Limited holds these monies on behalf of Manchester City Council.

	2007	2006
	£	£
At 1 April 2006	14,891	33,776
Donation received from Manchester City Council	241,524	116,824
Bank interest receivable	13	299
Reimbursement of repair and maintenance expenditure Incurred by Manchester City Council	(239,762)	(125,875)
Legal fees	0	(10,133)
	<u>16,666</u>	<u>14,891</u>

9 UNRESTRICTED FUNDS - GENERAL FUND

	2007	2006
	£	£
At 1 April 2006	26,558	19,585
Incoming resources	25,587	24,499
Resources expended	(13,590)	(17,526)
	<u>38,555</u>	<u>26,558</u>
At 31 March 2007	<u>38,555</u>	<u>26,558</u>

10 MEMBERSHIP

The Manchester Concert Hall Limited is a company limited by guarantee with a permitted maximum membership of 11.

Every member of the company undertakes to contribute one pound to the assets of the company in the event of the company being wound up while he or she is a member, or within one year after he or she ceases to be a member, for payment of the debts and liabilities of the company contracted before he or she ceases to be a member.

If upon the winding-up or dissolution of the company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the surplus shall be given or transferred to some other charitable institution having charitable Objects similar to the Objects of the company.

11 RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

Manchester Concert Hall Limited

DETAILED INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2007

	2007	2006
	£	£
INCOME		
Rent from Halle Orchestra	23,000	23,000
Donations from Manchester City Council	241,524	116,824
Bank Interest Receivable	2,600	1,798
	<u>267,124</u>	<u>141,622</u>
EXPENDITURE		
Provision for repair and maintenance of the Bridgewater Hall	239,762	125,875
Legal fees in respect of ticketing system	0	10,133
Monitoring the performance of the Operator of the Hall	5,451	4,284
Administration costs		
Insurance	(565)	5,401
Legal and professional fees	7,529	6,841
Auditor's remuneration	1,175	1,000
	<u>253,352</u>	<u>153,534</u>
NET INCOME/(EXPENDITURE) FOR THE YEAR	<u>13,772</u>	<u>(11,912)</u>