

Company Registration Number 2913221

The Manchester Concert Hall Limited

Report & Accounts

31 March 2008

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COMPANIES HOUSE

Manchester Concert Hall Limited

Company Registration No 2913221, Charity Registration No 1040342

CURRENT DIRECTORS

Warren Smith (Chair)
Sir Howard Bernstein
Colin Smith
Cllr Mike Kane
Frances Done
Bill Enevoldson
Michael O'Connor
Alex Poots

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
P O Box 101
1 Balloon Street
Manchester
M60 4EP

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 2008.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Board currently consists of the Chairman and 7 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 2008

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 2007 to March 2008 the Board has met on five occasions 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 and the Concert Hall operator Hallogen Limited
- To receive progress reports on Hallogen's operation of the Hall, their financial performance, their programming intentions, marketing strategy and future business plans,
- To develop and take forward a procurement strategy for a new operating contract for the Hall

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

In the future period the principal plans for the Board are to implement the Procurement Strategy for the operator of the Bridgewater Hall.

The contract with the existing operator expires in December 2009 and the procurement process begins in May 2008 where the contract will be advertised in the Official Journal of the European Union.

Five new Trustees have been recruited to the Board in the last period, who bring specific expertise to assist the Board through the procurement process, and two Trustees have resigned during the period.

Manchester Concert Hall Limited

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 to 13 12 07)	09 05.94	13 12 07
Sir Howard Bernstein	09.05.94	-
Warren Smith (Chairman from 13.12.07)	09 05 94	-
Colin Smith	11 09 00	-
Councillor Mark Hackett	19 01 04	09 07.07
Councillor Mike Kane	09.07 07	-
Frances Done	13.12 07	-
Bill Enevoldson	13 12 07	-
Michael O'Connor	13 12 07	-
Alex Poots	13 12.07	-

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 2008 shows a balance of £44,228 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 2008 was £17,284. 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 02/07/08

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 2008 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 2008 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
Chartered Accountants and Registered Auditors
Greg's Buildings
1 Booth Street
Manchester
M2 4AD



Date. 9.7.2008

Manchester Concert Hall Limited

STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2008

	<i>Note s</i>	<i>Unrestricted General Fund £</i>	<i>Designated fund for repair and maintenance of the Hall £</i>	<i>Total Unrestricted funds 2008 £</i>	<i>Total 2007 £</i>
INCOMING RESOURCES (INCOME)					
Incoming resources from charitable activities:					
Rental income from orchestra		23,000	0	23,000	23,000
Donations from Mcr City Council		0	32,541	32,541	241,524
		23,000	32,541	55,541	264,524
Incoming Resources from generated funds.					
Investment income:					
Bank interest receivable		3,591	27	3,618	2,600
Total incoming resources	2	26,591	32,568	59,159	267,124
RESOURCES EXPENDED (EXPENDITURE)					
Charitable Activities:					
Monitoring the performance of the					
Operator of the Hall		5,457	0	5,457	5,451
Repair and maintenance of the Hall		0	31,950	31,950	239,762
Legal Fees		-	-	-	-
		5,457	31,950	37,407	245,213
Governance Costs	3	15,461	0	15,461	8,139
Total resources expended		20,918	31,950	52,868	253,352
NET INCOME/(EXPENDITURE)					
FOR THE YEAR	4	5,673	618	6,291	13,772
Balances brought forward at					
1st April 2007		38,555	16,666	55,221	41,449
BALANCES CARRIED FORWARD					
AT 31 MARCH 2008		44,228	17,284	61,512	55,221

There were no recognised gains or losses other than the net income for the year of £6,291 (2007 net income of 13,772)

Manchester Concert Hall Limited

BALANCE SHEET

At 31 March 2008

	Notes	2008 £	2007 £
CURRENT ASSETS			
Debtors	6	11,377	5,469
Cash at bank and in hand		62,274	62,812
		<u>73,651</u>	<u>68,281</u>
CREDITORS: amounts falling due within one year			
	7	12,139	13,060
TOTAL NET ASSETS		<u>61,512</u>	<u>55,221</u>
UNRESTRICTED FUNDS			
Designated fund	8	17,284	16,666
General fund	9	44,228	38,555
		<u>61,512</u>	<u>55,221</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 2007) and Part VI of the Charities Act 1993

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


Warren J Smith, Chairman

Date 02/07/08

Manchester Concert Hall Limited

NOTES TO THE ACCOUNTS

For the year ended 31 March 2008

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 2007) 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 Hallé Orchestra and donations from Manchester City Council.

Manchester Concert Hall Limited

NOTES TO THE ACCOUNTS

For the year ended 31 March 2008

3 GOVERNANCE COSTS

	2008	2007
	£	£
Insurance*	4,138	(565)
Legal & professional fees	10,030	7,529
Auditors' remuneration	1,293	1,175
	<u>15,461</u>	<u>8 139</u>

*Insurance includes £472 in respect of directors and officers liability insurance

4 NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging/(crediting)

	2008	2007
	£	£
Auditors' remuneration	1,293	1,175
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

	2008	2007
	£	£
Trade debtors	11,210	5,460
Prepaid expenses	158	0
Other debtors	9	9
	<u>11,377</u>	<u>5,469</u>

7 CREDITORS

	2008	2007
	£	£
Other creditors and accruals	12,139	13,060
	<u>12,139</u>	<u>13,060</u>

Manchester Concert Hall Limited

NOTES TO THE ACCOUNTS

For the year ended 31 March 2008

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.

	2008	2007
	£	£
At 1 April 2007	16,666	14,891
Donation received from Manchester City Council	32,541	241,524
Bank interest receivable	27	13
Reimbursement of repair and maintenance expenditure Incurred by Manchester City Council	(31,950)	(239,762)
	<u>17,284</u>	<u>16,666</u>

9 UNRESTRICTED FUNDS - GENERAL FUND

	2008	2007
	£	£
At 1 April 2007	38,555	26,558
Incoming resources	26,591	25,587
Resources expended	(20,918)	(13,590)
At 31 March 2008	<u><u>44,228</u></u>	<u><u>38,555</u></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

At 31 March 2008, an amount of £9 was owing to MCHL by Manchester City Council (2007 £9).

Manchester Concert Hall Limited

DETAILED INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2008

	2008	2007
	£	£
INCOME		
Rent from Hallé Orchestra	23,000	23,000
Donations from Manchester City Council	32,541	241,524
Bank Interest Receivable	3,618	2,600
	<u>59,159</u>	<u>267,124</u>
EXPENDITURE		
Provision for repair and maintenance of the Bridgewater Hall	31,950	239,762
Monitoring the performance of the Operator of the Hall	5,457	5,451
Administration costs		
Insurance	4,138	(565)
Legal and professional fees	10,030	7,529
Auditor's remuneration	1,293	1,175
	<u>52,868</u>	<u>253,352</u>
NET INCOME/(EXPENDITURE) FOR THE YEAR	<u>6,291</u>	<u>13,772</u>