

The Manchester Concert Hall Limited
Report and Accounts
31 March 2017



Manchester Concert Hall Limited

Company Registration Number 2913221

Company Registration Number 2913221

Charity Registration Number 1040342

Current Directors

Colin Smith

Michael O'Connor (Chair)

David McKeith

Cllr Emily Rows

Matthew Wilde

Matthew Bennett

Louise Latham

Secretary

Manchester Professional Services Limited

PO BOX 532

Town Hall

Manchester

M60 2LA

Auditors

Percy Westhead and Company

Chartered Accountants and Statutory Auditors

Greg's Buildings

1 Booth Street

Manchester

M2 4AD

Solicitors

The City Solicitor

Town Hall

Manchester

M60 2LA

Bankers

Barclays Bank PLC

51 Mosley Street

Manchester

M2 3HQ

Registered Office

PO BOX 532, Town Hall

Manchester

M60 2LA

Directors Report

The Directors present their report and accounts for year end 31 March 2017.

Structure, Governance and Management

The Board currently consists of the Chairman and six 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 legal, financial, business and artistic expertise and receive induction on appointment to the Board that has been tailored to their individual needs. Away Days are organised to support board development as and when they are required.

Because the principal activity of the Board is to oversee the management contract for the Bridgewater Hall (The Hall), the Chief Executive of SMG Europe Holdings Limited (formerly SMG Theatres) attends all Board meetings to present progress reports on the operating contract.

Objectives and Activities

The Manchester Concert Hall Limited, 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 music, opera, drama, singing, mime, dancing, painting, sculpture, cinema, literature and other arts and in particular to provide and operate the Bridgewater Hall in the City of Manchester and ensure its ongoing public benefit. In this respect reference to the Directors includes reference to their role as Trustees of the Charity.

The Directors are also Trustees of the charity and confirm that they have complied with the duty in section 17(5) of the 2011 Charities Act to have due regard to guidance published by the Charity Commission on public benefit.

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

The Hall is leased from Manchester City Council (The 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 the Council and the Company. The Company itself has no fixed assets.

The Company has appointed SMG as operator to manage the Hall on its behalf.

Achievements and performance and the resulting public benefit during the year to 31 March 2017

The Hall is a prestigious music venue and a key iconic building in Manchester. SMG, the operator of the Hall, aim to deliver a world-class cultural programme at the Hall, comprising classical and non-classical performances from the field of music, with a broad market appeal.

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 and conferences. The Hall's unique acoustics are 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 SMG Europe Holdings Limited team to deliver within the original aspiration for the Hall established by the Council.

The principal activity of the Company during 2016/17 year has been to administer the operating contract for the Hall and to monitor the operator's compliance with the contract. The contract provisions relate to artistic standards and programming (including the International Concert Series) a Learning and Participation programme, and working with key stakeholders including the Hallé as resident orchestra. It includes further general operating standards (including operational management, security, repair and maintenance, and original artworks).

In the period April 2016 to March 2017 the Board has met on three occasions and its business was:

- to receive progress reports on SMG's operation of the Hall, their financial performance, the programming intentions, marketing strategy and future business plans;
- to undertake a review of SMG's performance as operator of the Hall over the previous two-year period;
- to take a view on the future of the operating contract, which is due to expire at the end of 2019;
- overseeing a programme of capital works which both maintains the aesthetics and facilities of the Hall and ensures its future viability;
- to receive and consider minutes of the Artistic Policy Group, set up to coordinate the artistic programme of the Hall. Membership of the group comprises the main users of the Hall – namely the Hallé Orchestra, BBC Philharmonic, Manchester Camerata Ensemble Orchestra and SMG; and
- to revise the Manchester Concert Hall Limited Articles of Association;

Key initiatives undertaken by the Board this year include;

- recruitment of four new directors in order to diversify the knowledge, skills and experience of the board and ensure that the board has the capacity to carry out its role robustly over the next period.

During the year the Directors received a gift of sketches of John Barbirolli by Harold Riley. The sketches have been put on public display within the Barbirolli Room at the Bridgewater Hall and will be added to the Company Items as part of the operating agreement.

Plans for future periods

Following recruitment to the board during this financial year, a key priority for the Board is to build on this further through board development sessions and by regularly reviewing the board's skills to identify any further areas for recruitment.

Following this recruitment, the Board will undertake further work on forward planning and risk management. The Board needs to be mindful of future pressures on the Hall and support SMG to continue to deliver a quality artistic programme, maintain and improve the building and continue with a viable business model. As we approach 21st anniversary of the building in September 2017 the Directors are also mindful of the age of the building, and the possible need for upgrading as well as celebrating this important milestone.

Directors and their interests

The Company is limited by guarantee and the Directors were all guarantors at the year-end. The 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 in the past but will need to be reviewed periodically in future, and appropriate systems 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 objectives similar to the objects of the Company.

Members and Directors

The members and Directors who served during this year were as follows:

	Date of appointment	Date of resignation
Colin Smith OBE	11.09.00	N/A
Michael O'Connor (Chairman from 23.02.15)	13.12.07	N/A
David McKeith	10.06.09	N/A
Frances Claire Toms	15.07.14	02.02.17
Cllr Emily Rowles	02.02.17	N/A
Matthew Wilde	02.02.17	N/A
Matthew Bennett	18.07.17	N/A
Louise Latham	02.02.17	N/A

Financial Review

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and in compliance with the provisions of part 15 of the Companies Act 2006 and the Charities Act 2011.

The Company's balance sheet as at 31 March 2017 shows a balance of £44,090 on the General Fund (2015/16 £36,565). This balance remains sufficient to meet all outgoing items of expenditure and future plans and commitments.

As the operator makes no further contributions, the Council has a 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. 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 directors' report and 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 the UK Generally Accepted Accounting Practice. Under company law the Directors must not approve the accounts unless they are satisfied that they 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 the accounts, 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 business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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' exemption

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The statutory profit and loss account heading 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

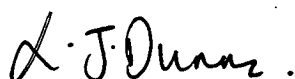
So far as the Directors are aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each Director has taken the steps that he ought to make himself aware of any relevant audit information and to establish that 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 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 28 days beginning with the day on which copies of their report and accounts are sent to members unless a resolution is passed 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



Lindsay Dunn
Company Secretary

Date: 7/12/2017

**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 2017 on pages 10 to 15 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 a Report of the Auditors 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

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2017 and of its incoming resources and application of resources, including its income and expenditure account, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

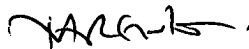
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies regime and take advantage of the small company's exemption in preparing the Directors Report.



Mr Timothy A R Elston (Senior Statutory Auditor)
for and on behalf of Percy Westhead & Company
Chartered Accountants
and Statutory Auditors
Greg's Buildings
1 Booth Street
Manchester
M2 4AD

Date: 13.12.2017

STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 March 2017

	Notes	Unrestricted General Fund £	Total Unrestricted funds 2017 £	Total 2016 £
INCOME				
Income from charitable Activities:				
Rental income from orchestra		23,000	23,000	23,000
Total income	2	23,000	23,000	23,000
EXPENDITURE				
Charitable Activities:				
Monitoring the performance of the Operator of the Hall		5,569	5,569	5,569
Governance and support costs	3	9,906	9,906	9,707
Total Expenditure		15,475	15,475	15,276
NET INCOME/(EXPENDITURE) FOR THE YEAR	4	7,525	7,525	7,724
Balances brought forward at 1st April 2016		36,565	36,565	28,841
BALANCES CARRIED FORWARD AT 31 MARCH 2017		44,090	44,090	36,565

There were no recognised gains or losses other than the net income for the year of £7,525 (2016 net income of £7,724).

Manchester Concert Hall Limited

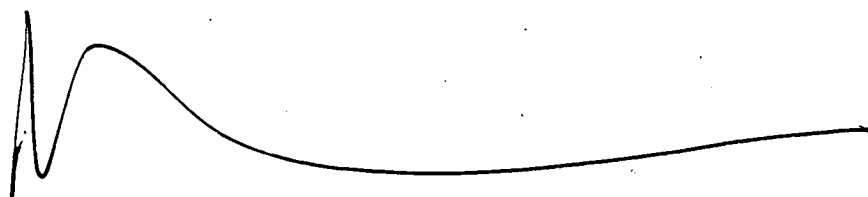
Company Registration Number 2913221

BALANCE SHEET At 31 March 2017

	Notes	2017 £	2016 £
CURRENT ASSETS			
Debtors	6	6,007	249
Cash at bank and in hand		40,183	38,206
		<u>46,190</u>	<u>38,455</u>
CREDITORS: amounts falling due within one year			
	7	2,100	1,890
TOTAL NET ASSETS		<u>44,090</u>	<u>36,565</u>
UNRESTRICTED FUNDS			
General fund	8	44,090	36,565
		<u>44,090</u>	<u>36,565</u>

The accounts have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and with the Charities Act 2011.

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



Michael O'Connor, Chairman

Date

12/12/2017

NOTES TO THE ACCOUNTS

For the year ended 31 March 2017

STATUTORY INFORMATION

The Manchester Concert Hall Limited is a charitable company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on page 2.

The presentation currency of the accounts is the Pound Sterling (£).

1 ACCOUNTING POLICIES

Accounting Convention

The accounts are prepared under the historical cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1st January 2015 - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Format of Accounts

The accounts have been prepared in a form required by the Companies Act 2006, although advantage has been taken 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 was 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 it was drawn down by the City Council to meet repair and maintenance expenditure. The fund has now been exhausted and the ongoing capital repairing obligations of the Hall will be met by the City Council.

Income

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

NOTES TO THE ACCOUNTS

For the year ended 31 March 2017

Expenditure

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 (rate 0%), represents rent from the Hallé Orchestra.

3 GOVERNANCE AND SUPPORT COSTS

	2017	2016
	£	£
Insurance*	912	893
Legal & professional fees	6,894	6,954
Auditors' remuneration – audit services	2,100	1,860
	<u>9,906</u>	<u>9,707</u>

*Insurance relates to directors and officers liability insurance.

4 NET INCOME FOR THE YEAR

This is stated after charging:

	2017	2016
	£	£
Auditors' remuneration	<u>2,100</u>	<u>1,860</u>

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 remuneration or expenses were paid to the trustees during the year.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2017

6 DEBTORS

	2017	2016
	£	£
Trade debtors	5,750	-
Prepaid expenses	257	249
	<u>6,007</u>	<u>249</u>

7 CREDITORS

	2017	2016
	£	£
Other creditors and accruals	2,100	1,890
	<u>2,100</u>	<u>1,890</u>

8 UNRESTRICTED FUNDS - GENERAL FUND

	2017	2016
	£	£
At 1 April	36,565	28,841
Income	23,000	23,000
Expenditure	(15,475)	(15,276)
	<u>44,090</u>	<u>36,565</u>

9 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.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2017

10 RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

11 FIRST YEAR ADOPTION

These accounts for the year ended 31st March 2017 are the first accounts that comply with Charities SORP (FRS 102).

The transition to Charities SORP (FRS 102) has not resulted in any changes to the brought forward reserves of the charitable company or to the accounting policies used previously.

DETAILED INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2017

	2017	2016
	£	£
INCOME		
Rent from Hallé Orchestra	23,000	23,000
	<u>23,000</u>	<u>23,000</u>
EXPENDITURE		
Monitoring the performance of the Operator of the Hall	5,569	5,569
Administration costs		
Insurance	912	893
Legal and professional fees	6,894	6,954
Auditor's remuneration	2,100	1,860
	<u>15,475</u>	<u>15,276</u>
NET INCOME FOR THE YEAR	<u><u>7,525</u></u>	<u><u>7,724</u></u>

Manchester Concert Hall Limited
C/o Greater Manchester Integrated Support Team
PO Box 532
Manchester City Council
Town Hall
Manchester
M60 2LA
Company Number: 2913221

Date: 6 December 2017

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

LETTER OF REPRESENTATION

Dear Sirs

During the course of your audit of the financial statements of The Manchester Concert Hall Limited for the year ending 31st March 2017, the following representations were made to you by management and directors.

1. We have fulfilled our responsibilities as directors under the Companies Act 2006 and the Charities Act 2011 for preparing financial statements, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1st January 2015 - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) that give a true and fair view and for making accurate representations to you as auditors.
2. We confirm that all accounting records have been made available to you for the purposes of your audit, in accordance with your terms of engagement, and that all transactions undertaken by the company have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all board meetings, have been made available to you. We have given you unrestricted access to persons within the company in order to obtain audit evidence and have provided any additional information that you have requested for the purposes of your audit.
3. We confirm that significant assumptions used by us in making accounting estimates are reasonable.
4. We confirm that all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with United Kingdom Generally Accepted Accounting Practice.

5. We confirm that there have been no events since the balance sheet date which require disclosing or which would materially affect the amounts in the financial statements, other than those already disclosed or included in the financial statements.

6. We confirm that the related party relationships and transactions set out below are a complete list of such relationships and transactions and that we are not aware of any further related parties or transactions.

Party	Relationship	Nature of transactions
Manchester City Council	Ability to appoint 2 directors	Administrative support
Directors/Trustees	Charity Directors/Trustees	None

7. We can confirm that we are aware that a related party of the company is a person or organisation which either (directly or indirectly) controls, has joint control of, or significantly influences the company or vice versa and, as a result, will include directors, other key management, close family and other business interests of the previous.

8. We confirm that all related party relationships and transactions have been accounted for and disclosed in accordance with United Kingdom Generally Accepted Accounting Practice.

9. We confirm that the company has had, at no time during the year, any arrangement, transaction or agreement to provide credit facilities (including loans, quasi-loans or credit transactions) for directors, nor to guarantee nor provide security for such matters, except as already disclosed in the financial statements.

10. We confirm that the company has not contracted for any capital expenditure other than as disclosed in the financial statements.

11. We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the company conducts its business and which are central to the company's ability to conduct its business, except as explained to you and as disclosed in the financial statements.

12. We acknowledge our responsibility for the design and implementation of controls to prevent and detect fraud. We confirm that we have disclosed to you the results of our risk assessment of the risk of fraud in the business.

13. We confirm that there have been no actual or suspected instances of fraud involving management or individuals who have a significant role in internal control that could have a material effect on the financial statements. We also confirm that we are not aware of any allegations of fraud by former employees, regulators or others.

14. We confirm that, having considered our expectations and intentions for the next 12 months and the availability of working capital, the company is a going concern.

15. We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that:

- so far as each director is aware, there is no relevant audit information of which you as auditors are unaware, and
- each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that you are aware of that information.

We confirm that the above representations are made on the basis of enquiries of management and key personnel with relevant knowledge and expertise (and, where appropriate of supporting documentation) sufficient to satisfy ourselves that we can properly make these representations to you and that to the best of our knowledge and belief they accurately reflect the representations made to you by the directors during the course of your audit.

Yours faithfully

Signed on behalf of the board of directors by:

Director

Date.....12/12/2017.....