

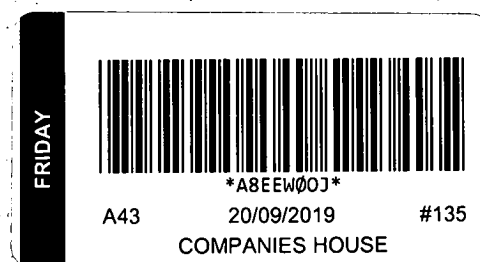
Manchester Concert Hall Limited

Company Registration Number 2913221  
Charity Registration Number 1040342

# The Manchester Concert Hall Limited

## Report and Accounts

### 31 March 2019



## **Manchester Concert Hall Limited**

Company Registration Number 2913221

Charity Registration Number 1040342

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### **Current Directors**

Michael O'Connor (Chair)

David McKeith

Cllr Emily Rowles

Matthew Wilde

Matthew Bennett

Louise Johnson

Akeim Mundell B.E.M. (appointed 26 July 2019)

Mark Dobson (appointed 9 August 2019)

### **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

### **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 2019.

### **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, artistic and community engagement expertise and receive induction on appointment to the Board that has been tailored to their individual needs. Away Days and training sessions are organised to support Board development as and when they are required.

Because the principal activity of the Board is to oversee the management agreement 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 delivery of the management agreement.

### **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 (reg 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.

Under the current management agreement 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 2019**

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 2018/19 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 2018 to March 2019 the Board has met on five 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 make a decision on a five-year extension of the current management agreement, which was originally due to expire at the end of 2019
- To receive and consider a report on the Learning and Engagement programme
- To oversee a programme of capital works which both maintains the aesthetics and facilities of the Hall and ensures its future viability, and to receive the Hall's 2018 Condition Survey
- To review a Stakeholder Survey with a wider range of perspectives on use of the Hall
- 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 and SMG
- To receive and consider a report on the Manchester Civic Quarter Heat Network, which the Hall will connect to from 2021.

### Plans for future periods

During the next period there will be a focus on Board recruitment and development. This will include recruitment to ensure that the Board collectively have a strong skills set and are reflective of the city's communities, and development sessions to enable the Board to work effectively and to uphold the highest standards of good governance. This will provide the foundations for the Board's work over the next five years to refresh the vision, business model and operating arrangements for the Hall ahead of a new management agreement period. This will include further work on forward planning and risk management, and an awareness of the wider pressures on the Hall – in particular as regards capital repair and maintenance.

### 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	23.04.19
Michael O'Connor (Chairman from 23.02.15)	13.12.07	N/A
David McKeith	02.10.09	N/A
Cllr Emily Rowles	02.02.17	N/A
Matthew Wilde	02.02.17	N/A
Matthew Bennett	18.07.17	N/A
Louise Johnson	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 2019 shows a balance of £59,427 on the General Fund (2017/18 £51,532). 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.

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## 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.

Edward Flanagan  
For and on behalf of Manchester Professional Services Limited



Company Secretary

Date:

12.09.19

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

**Opinion**

We have audited the financial statements of the Manchester Concert Hall Limited for the year ended 31<sup>st</sup> March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31<sup>st</sup> March 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the RFC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' (trustees) use of the going concern basis of accounting is in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the directors' report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

### **Responsibilities of the directors**

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied

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that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of our report**

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 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's members as a body, for our audit work, for this report, or for the opinions we have formed.



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: 17.9.2019

**STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT**  
**For the year ended 31 March 2019**

	Notes	Unrestricted General Fund £	Total Unrestricted funds 2019 £	Total 2018 £
<b>INCOME</b>				
<b>Income from charitable Activities:</b>				
Rental income from orchestra		23,000	23,000	23,000
Total income	2	23,000	23,000	23,000
<b>EXPENDITURE</b>				
<b>Charitable Activities:</b>				
Monitoring the performance of the Operator of the Hall		6,120	6,120	5,569
Governance and support costs	3	8,985	8,985	9,989
Total Expenditure		15,105	15,105	15,558
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>	4	7,895	7,895	7,442
Balances brought forward at 1st April 2018		51,532	51,532	44,090
<b>BALANCES CARRIED FORWARD AT 31 MARCH 2019</b>		59,427	59,427	51,532

There were no recognised gains or losses other than the net income for the year of £7,895 (2018 net income of £7,442).

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## BALANCE SHEET

At 31 March 2019

	Notes	2019 £	2018 £
<b>CURRENT ASSETS</b>			
Debtors	6	276	11,763
Cash at bank and in hand		61,264	54,362
		<u>61,540</u>	<u>66,125</u>
CREDITORS: amounts falling due within one year	7	2,113	14,593
<b>TOTAL NET ASSETS</b>		<u><u>59,427</u></u>	<u><u>51,532</u></u>
<b>UNRESTRICTED FUNDS</b>			
General fund	8	59,427	51,532
		<u><u>59,427</u></u>	<u><u>51,532</u></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. 9. 19.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2019

**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 2019

**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**

	2019	2018
	£	£
Insurance*	975	935
Legal & professional fees	5,910	6,954
Auditors' remuneration – audit services	2,100	2,100
	<u>8,985</u>	<u>9,989</u>

\*Insurance relates to directors and officers liability insurance.

**4 NET INCOME FOR THE YEAR**

This is stated after charging:

	2019	2018
	£	£
Auditors' remuneration	<u>2,100</u>	<u>2,100</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.

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## NOTES TO THE ACCOUNTS

For the year ended 31 March 2019

### 6 DEBTORS

	2019	2018
	£	£
Trade debtors	0	11,500
Prepaid expenses	276	263
	<u>276</u>	<u>11,763</u>

### 7 CREDITORS

	2019	2018
	£	£
Trade creditors	0	12,480
Other creditors and accruals	2,113	2,113
	<u>2,113</u>	<u>14,593</u>

### 8 UNRESTRICTED FUNDS - GENERAL FUND

	2019	2018
	£	£
At 1 April	51,532	44,090
Income	23,000	23,000
Expenditure	<u>(15,105)</u>	<u>(15,558)</u>
At 31 March	<u>59,427</u>	<u>51,532</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 2019

**10 RELATED PARTY TRANSACTIONS**

There were no related party transactions during the year, which require disclosure in the Accounts.



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## DETAILED INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2019

	2019	2018
	£	£
<b>INCOME</b>		
Rent from Hallé Orchestra	23,000	23,000
	<u>23,000</u>	<u>23,000</u>
<b>EXPENDITURE</b>		
Monitoring the performance of the Operator of the Hall	6,120	5,569
Administration costs		
Insurance	975	935
Legal and professional fees	5,910	6,954
Auditor's remuneration	2,100	2,100
	<u>15,105</u>	<u>15,558</u>
<b>NET INCOME FOR THE YEAR</b>	<u><u>7,895</u></u>	<u><u>7,442</u></u>