

Manchester Concert Hall Limited

Company Registration Number 2913221
Charity Registration Number 1040342

The Manchester Concert Hall Limited

Report and Accounts

31 March 2018



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Current Directors

Colin Smith
Michael O'Connor (Chair)
David McKeith
Cllr Emily Rowes
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 2018.

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 2018

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 2017/18 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 2017 to March 2018 the Board has met on six occasions and a "Board away-day" 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; Informed by a report on a variety of concert hall operating models in selected UK cities.
- To receive and consider a report on the characteristics of Bridgewater Hall audiences
- 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 and SMG;
- To receive and consider a report on the Manchester Civic Quarter Heat Network, whose remit includes the Hall
- To undertake a Board away-day in June 2017
- to revise the Manchester Concert Hall Limited Articles of Association;

The Directors had 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 have been added to the Company Items as part of the operating agreement.

Plans for future periods

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.

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 have celebrated the 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.

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
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 2018 shows a balance of £51,532 on the General Fund (2016/17 £44,090). 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

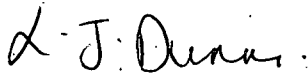
So far as the Directors are aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each Director has taken the steps that he ought to make himself aware of any relevant audit information and to establish that 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: 20/9/18

**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 31st March 2018 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 31st March 2018 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

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. 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: 24.9.2018

STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 March 2018

	Notes	Unrestricted General Fund £	Total Unrestricted funds 2018 £	Total 2017 £
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	9,989	9,989	9,906
Total Expenditure		15,558	15,558	15,475
NET INCOME/(EXPENDITURE) FOR THE YEAR	4	7,442	7,442	7,525
Balances brought forward at 1st April 2017		44,090	44,090	36,565
BALANCES CARRIED FORWARD AT 31 MARCH 2018		51,532	51,532	44,090

There were no recognised gains or losses other than the net income for the year of £7,442. (2017 net income of £7,525).

Manchester Concert Hall Limited

Company Registration Number 2913221

Charity Registration Number 1040342

BALANCE SHEET

At 31 March 2018

	Notes	2018 £	2017 £
CURRENT ASSETS			
Debtors	6	11,763	6,007
Cash at bank and in hand		54,362	40,183
		<u>66,125</u>	<u>46,190</u>
 CREDITORS: amounts falling due within one year	 7	 14,593	 2,100
 TOTAL NET ASSETS		 <u>51,532</u>	 <u>44,090</u>
 UNRESTRICTED FUNDS			
General fund	8	51,532	44,090
		<u>51,532</u>	<u>44,090</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

20/9/18

NOTES TO THE ACCOUNTS

For the year ended 31 March 2018

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 2018

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

	2018	2017
	£	£
Insurance*	935	912
Legal & professional fees	6,954	6,894
Auditors' remuneration – audit services	2,100	2,100
	<u>9,989</u>	<u>9,906</u>

*Insurance relates to directors and officers liability insurance.

4 NET INCOME FOR THE YEAR

This is stated after charging:

	2018	2017
	£	£
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.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2018

6 DEBTORS

	2018	2017
	£	£
Trade debtors	11,500	5,750
Prepaid expenses	263	257
	<u>11,763</u>	<u>6,007</u>

7 CREDITORS

	2018	2017
	£	£
Trade creditors	12,480	0
Other creditors and accruals	2,113	2,100
	<u>14,593</u>	<u>2,100</u>

8 UNRESTRICTED FUNDS - GENERAL FUND

	2018	2017
	£	£
At 1 April	44,090	36,565
Income	23,000	23,000
Expenditure	<u>(15,558)</u>	<u>(15,475)</u>
At 31 March	<u>51,532</u>	<u>44,090</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 2018

10 RELATED PARTY TRANSACTIONS

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

DETAILED INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2018

	2018	2017
	£	£
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	935	912
Legal and professional fees	6,954	6,894
Auditor's remuneration	2,100	2,100
	<u>15,558</u>	<u>15,475</u>
NET INCOME FOR THE YEAR	<u>7,442</u>	<u>7,525</u>