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Company Registration No. 3255905

THE LOWRY CENTRE LIMITED

Annual Report and Financial Statements

For the year ended 31 March 2015

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ANNUAL REPORT AND FINANCIAL STATEMENTS 2015

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Sir R Aldridge OBE
J Brabbin
J Fawcett OBE
AJ Frost CBE
P Kelly
S Lightup
AC Vinken OBE

CHIEF EXECUTIVE

J Fawcett OBE

SECRETARY

J Brabbin

REGISTERED OFFICE

The Lowry
Pier 8
Salford Quays
Greater Manchester
M50 3AZ

BANKERS

Barclays Bank Plc
Northwest Larger Business Team
1st Floor
3 Hardman Street
Spinningfields
Manchester
M3 3HF

SOLICITORS

Nabarro LLP
1 South Quay
Victoria Quays
Wharf Street
Sheffield S2 5SY

INDEPENDENT AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

STRATEGIC REPORT
For the year ended 31 March 2015

The directors, in preparing the strategic report, have complied with s414C of the Companies Act 2006.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The company is a wholly owned subsidiary of The Lowry Centre Trust, a company limited by guarantee.

The object of the company is to carry on business as a general commercial company and to promote the advancement of education for the public benefit.

The principal activity of the company is the operation of The Lowry, a major visual and performing arts facility.

There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

As shown in the Profit and Loss account on page 13, turnover increased by 2.9% during the year and gross profit increased by 0.8%. This is predominantly due to elements of the theatres programme that included the return of *War Horse* following its successful run the previous year. In addition, year on year increases in turnover were reported in the key commercial operations of Conferencing & Events, Retail and Quaytickets the company's third party ticket agency operation which collectively showed an improvement of 6.1% year on year. Overheads were reduced by 1.0% despite the increased trading activity and remained well controlled during the year. The retained profit for the year was £148,567 (2014: Profit £362,267) which was transferred to reserves.

The balance sheet on page 14 reflects the performance of the year. The cash balance shows a year on year increase to £2,871,798 (2014: £2,160,462), due to a continuation of strong sales for future theatre shows.

There were no significant post-balance sheet events.

REVIEW OF DEVELOPMENT, ACTIVITES AND ACHIEVEMENTS DURING THE YEAR

The Lowry Centre Limited acts as the vehicle for the delivery of the charitable objectives of its parent, The Lowry Centre Trust, a registered charity. As such it operates The Lowry's three theatres and its galleries and delivers the work of the community and education function. In addition it operates a number of commercial activities for the purpose of generating income to contribute to the running costs of the venue and to the development of artistic work.

The financial outturn for the year ending 31 March 2015 was influenced by a number of factors. Following its successful first visit during the previous year, *War Horse* returned for a second nine-week spell during the summer period and again returned strong ticket sales with a total audience of 87,000. The Christmas period was notable for the quality of the productions received from the National Theatre with *The Curious Incident of the Dog in the Night Time* and *One Man, Two Guv'nors* following *Slava's Snow Show* to provide an excellent and diverse programme to appeal to a wide spectrum of public interests and contributing to a new record audience number for the year.

In the theatres, the year started with Matthew Bourne's Re:Bourne production of *Lord of the Flies* which brought together professional dancers with 24 local boys who were recruited by The Lowry's dance outreach team. Many of these boys had never tried dance before and have now discovered a new talent and passion, and some of them have since gone on to work professionally. A highlight of the extensive dance programme was Akram Khan's *Desh* which played in the Lyric Theatre to complement the gallery

STRATEGIC REPORT
For the year ended 31 March 2015

REVIEW OF DEVELOPMENT, ACTIVITES AND ACHIEVEMENTS DURING THE YEAR (continued)

exhibition *One Side to the Other,* curated by Khan himself as part of the *Performer as Curator* series of exhibitions. Other theatre highlights also came in the form of dance with *Boxe Boxe* from France-based Compagnie Käfiq and Brazilian Gruppo Corpo together with UK-based companies DV8, Richard Alston Dance Company, Jasmin Vardimon and Wayne McGregor's Random Dance as well as regular visits from Birmingham Royal Ballet and Rambert Dance Company.
We were pleased to welcome Opera North on four occasions during the year with their presentations of *La Boheme*, *Die Götterdämmerung* and two triple bills. We also welcomed Cape Town Opera's highly acclaimed production of *Show Boat* on its premier UK tour. The drama highlights included the unique, dynamic and challenging trilogy of Samuel Beckett plays, *Not I, Footfalls* and *Rockaby* from the Royal Court Theatre, and *Othello* from Frantic Assembly.

The programme and a wide spectrum of Lowry audiences as usual benefited from an eclectic mix of work. For the year ending 31 March 2015, The Lowry's three theatres presented 919 performances of 345 shows to a total audience of 498,000 people; another new record annual audience number for The Lowry. Overall, theatres net ticket sales improved by 3.2% year on year.

Once again The Lowry was well represented at the Manchester Theatre Awards and was pleased to receive 19 nominations in 8 categories from which we received 6 awards on behalf of our visiting companies and artists.

In the galleries, the year commenced with Jonathan Yeo's *Portraits* which ran from mid-March until the end of June. The summer period saw the result of a collaboration with the BBC in *Here's One We Made Earlier*. This major exhibition explored the story of over 90 years of BBC Children's broadcasting, from 1922, when the BBC launched Children's Hour, right up to the present multi-media moment. The exhibition proved extremely popular, resonating with children of all ages, past and present and resulted in record attendance numbers which contributed to an overall year on year growth in gallery attendance 31%. The year also saw the second in the *Performer as Curator* series which displayed art works selected from collections around the world by internationally renowned dancer and choreographer Akram Khan. The exhibition entitled *One Side to The Other* bought together sculpture, photography, painting and film, by artists such as Antony Gormley and Anish Kapoor. The exhibition explored Khan's fascination with the traditional and the contemporary, the spiritual and the grounded, doubt and certainty, light and dark. A truly unique event, the exhibition presented on selected days a series of exclusive performances, where small groups of visitors were led by dancers on an intimate journey around the works of art.

The balance of exhibitions over the year, presenting the works of LS Lowry alongside contemporary work and popular subject matter appealed widely to audiences from different interest groups resulting in visitor numbers 134,000 by the end of the year bringing with it welcome sums in gallery donations to contribute to exhibition costs.

The strategy to grow Quaytickets, The Lowry's third party ticket agency business, reaped rewards during the year with the successful acquisition of the contract to provide services to the West End theatres operated by Nimax. This acquisition provides a solid platform on which to expand the business and consolidate the agency's reputation into the future. This and other successes contributed to a 43% increase in operating profit for the year.

STRATEGIC REPORT
For the year ended 31 March 2015

REVIEW OF DEVELOPMENT, ACTIVITES AND ACHIEVEMENTS DURING THE YEAR (continued)

In addition to the growth in Quaytickets operating profits in a number of the commercial areas of the business showed a year on year improvement. Conferencing and Events showed an annual improvement of 12%, whilst increased income from sponsorships and memberships contribution to a 77% increase in operating surplus generated by the Fundraising and Development team.

Expenditure declined in the theatres technical department as a result of the mix of theatre programme. Whilst overheads remained consistent with the prior year the nature of the theatres programme enabled a greater recovery of direct costs. Overall net technical costs reduced by 17% year on year. Net Gallery operating costs, including the cost of staging the exhibitions increased by 20% compared to the previous year, whilst net costs incurred in the delivery of the Learning and Engagement programme of projects increased by 31%.

Overall for the year ending 31 March 2015 turnover totalled £17,759k (2014: £17,292k) before the inclusion of grants received. Total income including other operating Income amounted to £19,412k (2014: £18,900k) of which revenue from public funds represented approximately 9% of this sum (2014: 9%).

SUBSEQUENT EVENTS AND FUTURE PLANS

Theatres

During 2015/2016, we will continue to present a broad and exciting mix of programme and maintain our commitment to our priorities in the performing arts and in particular; our partner companies, dance, including international work, and supporting the work of new and emerging companies and artists in our Studio.

Partner companies will again be regular visitors to our Lyric Theatre in the course of the year: Opera North will visit twice within the year with repertoire including *The Barber of Seville* In November 2015 and *Cosi Fan Tutte* in March 2016. Birmingham Royal Ballet will present *Swan Lake* in September and *Romeo and Juliet* in March, and Rambert will return in October with their "brass band-powered piece *Dark Arteries*.

The programme for 2015/2016 includes a strong dance content. In addition to performances from our partner companies Rambert and Birmingham Royal Ballet, Matthew Bourne visited with *The Car Man* in May and will return with *Sleeping Beauty* in November. The programme is dotted with contemporary dance pieces from far and wide as well as close to home including the Australian company Circa, Canadian Russell Maliphant, and the Palestinian production *Badke*. The Autumn season has a distinctively international flavour, presenting work from Spain, Belgium, Italy, America, India and New Zealand in addition to our international dance programme. In March 2016 we will present Circolombia, a unique circus company from Colombia.

Theatre moves out of the building onto the plaza in September with a celebration of new writing in Paines Plough's *Roundabout* which showcases one of our themes for the Autumn work in the round that also includes three productions in the round in our Quays Theatre.

STRATEGIC REPORT
For the year ended 31 March 2015

SUBSEQUENT EVENTS AND FUTURE PLANS (continued)
Theatres (continued)

The Lowry has co-commissioned two major new productions: Russell Maliphant in the Lyric Theatre, and Ockham's Razor with *Tipping Point* in the Quays Theatre which will go on to be the headlining event at the London International Mime Festival in January. Our associate company Monkeywood Theatre will be presenting a new show about football, *By Far The Greatest Team,* in the Quays Theatre and in addition there will be five new "developed with" projects in the Studio including Laura Lindow with *Then Leap* and Fellswoop Theatre with *Ghost Opera.*

Galleries
The organisational objective for the galleries is to reflect and respond to the diversity of performance presented at The Lowry, and to enhance the reputation of LS Lowry as a significant 20th century artist. In addition the exhibition programme is designed to appeal to a wide spectrum of audience interests. To this end the 2015/2016 visual arts programme will include a mix of special exhibitions by contemporary and digital artists renowned in their individual genres, alongside a major LS Lowry-themed exhibition. Consequently, the galleries have two clear strands of exhibition programming reflecting the unique identity of The Lowry as a venue and creative hub.

ExtraORDINARY: Everyday objects & actions in contemporary art, a playful approach to contemporary art runs from July to October 2015. Via a collection of renowned visual artists including Bruce Nauman, Martin Creed and Gavin Turk, this exhibition will present artworks in an engaging and imaginative way, allowing visitors to interact and contribute to the fabric of the exhibition through selected works while offering further activities and inspiration for families of all ages. To mark the end of the exhibition in October, dance artist Helka Kaski will perform a live work *Manual,* created by Siobhan Davies which draws attention to simple movements, meticulously dismantling their timing and order to encourage the audience to notice how we orchestrate actions.
From November 2015 to February 2016 the galleries' special exhibition will be *Right Here, Right Now* a digitally influenced work which seeks to challenge perceptions. The exhibition will bring together artists selected by seven curators at the forefront of digital art. The exhibition in which visitors will be immersed in an intoxicating and wide array of digitally-influenced work will challenge perceptions, interactions and understanding of art through the use of emerging digital technology and the *audiences' understanding of what art can be.*

Running alongside these special exhibitions from June to December 2015 will be *LS Lowry: The Art and The Artist*, a complete re-display of the LS Lowry collection with more gallery space than ever before dedicated to the Salford artist, along with new interpretation and new loans from across the UK. The exhibition will featuring some of the artist's most famous and important works and will show an artist remarkable for his diversity and fearless innovation.

Learning & Engagement
The Lowry is committed to building relationships with targeted harder to reach groups of young people in Salford and beyond. Our experienced Learning and Engagement team, excellent facilities and access to the theatres and galleries programmes enables us to open up the arts to many more people in the community, not just as spectators but as participants, creators and artists. In addition to the existing wide ranging participation programme, The Lowry aims to extend its work in a number of areas.

The *Focus* projects involving disadvantaged children and young people from Salford are made possible with funds raised through public appeals in conjunction with the theatres' Christmas programme. Now

STRATEGIC REPORT
For the year ended 31 March 2015

SUBSEQUENT EVENTS AND FUTURE PLANS (continued)
Learning & Engagement (continued)

in its fourth year, this year's project will focus on children on the autism spectrum. The aim is directly to involve 20 young people with autism from 2 special educational needs schools within the city. In addition to this legacy work with groups of young carers, looked after children and young parents, the beneficiaries of prior years' projects will continue throughout the year. All the projects see the young people from across the city work with artists, performers and producers resulting in a variety of tangible and visible outputs.
The Learning and Engagement team continues to develop a young people's employment and skills initiative. The *YES Project* provides opportunities for disadvantaged local young people by offering structured work placements, apprenticeships and future employment within The Lowry. The Lowry will continue to nurture talent in young people participating in dance and drama through the Centre for Advanced Training (CAT) in dance and The Lowry Young Actors' Scheme.

As an employer sponsor The Lowry will participate in the delivery of education through the University Technical College at MediaCity UK, which opens in September 2015, focusing on the creative and digital industries.

Cross Arts
The Lowry has recognised that there is an appetite from artists and audiences to create and experience work that crosses over the traditional and conventional spaces and art-form boundaries often found in buildings. The success in 2014/15 of the Akram Khan cross-arts commission of *One Side to the Other* and the simultaneous presentation of *Desh* on our Lyric stage has tested and endorsed this proposition. We aim to support collaborations across art forms and by world-class artistic talent, create an environment for risk-taking by artists & companies and then to deliver these new experiences to audiences. Building on this work and the organisation's core strengths is the ambition to establish new building wide, cross art-form work through the commissioning of new pieces.

Commissions planned for work to take place in Spring 2016 are now advanced and key elements of the cross-arts programme will include *100% Salford* by the renowned German-based company Rimini Protocol, a mass participation event based on the demographic breakdown of the city of Salford; *Illuminate*, a new public realm commission with new producer partners Quays Culture and Blackpool's Left Coast; a new commission by Katie Paterson, one of the UK's most ambitious and exciting multidisciplinary artists; and, *Handle With Care* by Dante or Die and Chloe Moss, a brand new immersive play about the things we hold onto in life.

Capital Project
The Lowry has recently raised £5.5million to deliver its 2020 Capital Project. This major programme of work will see The Lowry implement a programme of capital interventions focussed on operational cost savings, through a major energy efficiency project, and generation of additional income, through the expansion and redevelopment of our Hospitality offer. All funds saved and generated as a result of the capital project will be ring-fenced to create an annual Artistic Development Fund which will be used to support the key strategic artistic objectives outlines above. The capital programme is scheduled for completion in November 2015.

STRATEGIC REPORT
For the year ended 31 March 2015

PRINCIPAL RISKS AND UNCERTAINTIES

The company maintains a risk register which addresses principal external and internal organisational risks and seeks actively to control and mitigate such risks.

The company operates receiving theatres and as such is subject to the availability of product of sufficient quality. Such availability is not within the company's direct control.
The company receives a grant from Arts Council England on which it is dependant in order to develop its artistic output. Funding for the year ending 31 March 2015 was previously agreed with Arts Council England. The year under review represented the final year of a three-year review cycle. The sum of £1,009k received was increased by 0.4% (c£4k) on the previous year but had been reduced by 4.4% (c£44k) as part of an overall adjustment to the funding agreements of all National Portfolio organisations. Subsequently confirmation has been received of Arts Council England's continuing support as a National Portfolio Organisation, giving the surety of funding for the three-year period 2015/2016 to 2017/2018.

The balance sheet shows net current liabilities and net total liabilities. Within the liabilities figure is £0.95m of deferred grant income which is largely due after more than one year. This does not represent a liability requiring repayment. In addition liabilities include the sum of £3.2m of theatre income received in advance that will be recognised within one year of the balance sheet date. Taking this into account, the directors are satisfied the company is able to meets its liabilities as they fall due for a period of least 12 months from the date of approval of the financial statements, particularly given the cash resources in the company, coupled with forecast cash flows.

The company has prepared forecasts which take account of reasonably possible changes and uncertainties in its performance resulting from general market conditions. After making all appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources and should be able to operate within the level of its current facility based on a review of forecasts and reasonable sensitivity analysis, and accordingly continue to adopt the going concern basis in preparing these financial statements.

Approved by the Board and signed on its behalf by:

J Brabbin
Secretary
17 December 2015

DIRECTORS' REPORT
For the year ended 31 March 2015

The directors present their annual report on the affairs of the company together with the audited financial statements and auditor's report for the year ended 31 March 2015.

The business review, subsequent events and future plans and principal risks and uncertainties are included in the Strategic Report.

RESULTS AND DIVIDENDS

The directors do not recommend the payment of a dividend (2014: £nil) and the profit after tax for the year of £148,567 (2014: £362,267) has been transferred to reserves.

ENVIRONMENT

The company recognises the importance of its environmental responsibilities. Initiatives designed to minimise the company's impact on the environment include the safe disposal of waste, recycling and reducing energy consumption.

EMPLOYEES

Details of the number of employees and related costs can be found in note 4 to the financial statements.

The Lowry aims to offer equal opportunities to everyone. Full and fair consideration is given to applications for employment made by disabled persons having regard for their particular aptitudes and abilities. Appropriate training is arranged for disabled persons. This would include retraining for alternative work any employees who become disabled to promote their career development within the organisation.

EMPLOYEE COMMUNICATION

The company recognises the importance of effective communication and employee involvement and has throughout the year maintained regular Staff Briefings, Employee Consultation Forum and Volunteer Consultation Forum meetings.

Staff Briefings are held three times each year each comprising a number of sessions at varying times to allow the maximum number of employees to attend. The briefings presented by directors and key functional heads of department address ongoing plans for the artistic and educational programme and matters of strategic importance and provide the opportunity for open feedback and discussion.

The bi-monthly Employee Consultation Forum and Volunteer's Consultation Forum, attended by the Chief Executive and comprised of elected employee or volunteer representatives provides a mutual opportunity to discuss issues of importance in any aspect of the business including employment issues, raised by management or employees through their representatives.

A staff section to the company website provides information to employees and to encourage their own contributions. The site includes amongst other items of interest, profiles of directors and employees and access to policies and staff offers.

DIRECTORS' REPORT (continued)

DIRECTORS

The following directors who served during the year and up to the date of the report:

Sir R Aldridge OBE

JM Brabbin

J Fawcett OBE

AJ Frost CBE

P Kelly (Resigned 11 December 2014)

S Lightup (Resigned 28 May 2015)

AC Vinken OBE

None of the directors had any interest in the shares of the company during the year (2014: same).

Directors' attendance at meetings during the year ending 31 March 2015

R Aldridge	3/3
JM Brabbin	3/3
J Fawcett	3/3
AJ Frost	3/3
P Kelly	0/2
S Lightup	3/3
AC Vinken	2/3

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

An elective resolution has been passed by the company to dispense with the obligation to appoint auditor annually and accordingly, the company's auditor Deloitte LLP, shall remain in office until the company or auditor determine otherwise.

Approved by the Board and signed on its behalf by:

J Brabbin
Secretary
17 December 2015

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of company and of the profit or loss 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in 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 enable them to ensure that the financial statements 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOWRY CENTRE LIMITED

We have audited the financial statements of The Lowry Centre Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 21. 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 an auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 31 March 2015 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOWRY CENTRE LIMITED (continued)

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 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.

Matthew Hughes

Matthew Hughes BSc (Hons) ACA
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom
18 December 2015

PFOFIT AND LOSS ACCOUNT
Year ended 31 March 2015

	Note	2015 £	2014 £
TURNOVER	2	17,759,222	17,292,343
Cost of sales		(9,109,186)	(8,673,172)
GROSS PROFIT		8,650,036	8,619,171
Administrative expenses		(10,115,510)	(9,871,650)
Other operating income – grants received		1,611,771	1,607,689
OPERATING PROFIT	3	146,297	355,210
Interest payable and similar charges	6	(3)	-
Interest receivable	7	2,273	7,057
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		148,567	362,267
Tax on profit on ordinary activities	8	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	16	148,567	362,267
RETAINED LOSS BROUGHT FORWARD		(1,047,189)	(1,409,456)
RETAINED LOSS CARRIED FORWARD		(898,622)	(1,047,189)

The results for both the current and prior year relate wholly to continuing activities.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 31 March 2015

There were no recognised gains and losses other than the profit for the current and loss for the previous financial year shown in the profit and loss account.

BALANCE SHEET
As at 31 March 2015

	Note	2015 £	2015 £	2014 £	2014 £
FIXED ASSETS					
Intangible assets	9		998,137		1,050,670
Tangible assets	10		190,977		149,213
			1,189,114		1,199,883
CURRENT ASSETS					
Stocks	11	97,330		112,000	
Debtors	12	2,529,149		2,138,619	
Cash at bank		2,871,798		2,160,462	
		5,498,277		4,411,081	
CREDITORS: amounts falling due within one year	13	(6,640,408)		(5,660,015)	
NET CURRENT LIABILITIES			(1,142,131)		(1,248,934)
TOTAL ASSETS LESS CURRENT LIABILITIES			46,983		(49,051)
CREDITORS: amounts falling due after more than one year					
Accruals and deferred income	14		(945,604)		(998,137)
NET LIABILITIES			(898,621)		(1,047,188)
CAPITAL AND RESERVES					
Called up share capital	15		1		1
Profit and loss account			(898,622)		(1,047,189)
SHAREHOLDER'S DEFICIT	16		(898,621)		(1,047,188)

The financial statements of The Lowry Centre Limited, registered number 3255905, were approved by the Board of Directors on 17 December 2015.

Signed on behalf of the Board of Directors:

J Fawcett OBE 17/12/15

Director

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

1. ACCOUNTING POLICIES

The particular accounting policies adopted are described below. They have all been applied consistently throughout the year and the preceding year.

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The balance sheet shows net current liabilities and net liabilities. However, included within the liabilities is £1.1m of deferred grant income (largely due after more than one year) that does not represent a liability requiring repayment, and £3m of theatre income received in advance that will be recognised within one year of the balance sheet date. Taking this into account, the directors are satisfied the company is able to meets its liabilities as they fall due for a period of least 12 months from the date of approval of the financial statements, particularly given the cash resources in the company, coupled with forecast cash flows.

The company has prepared forecasts which take account of reasonably possible changes and uncertainties in its performance resulting from general economic conditions. After making all appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources and should be able to operate within the level of its current facility, and accordingly continue to adopt the going concern basis in preparing these financial statements, based on review of forecasts and reasonable sensitivity analysis.

Intangible fixed assets

Intangible fixed assets comprise a long leasehold asset giving the company right to display the Lowry collection owned by Salford City Council for 30 years from 2004, and are stated at cost net of amortisation. Amortisation is provided to write off the cost less estimated residual value in equal annual instalments over the period of the lease.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is provided to write off the cost less estimated residual value in equal annual instalments over the estimated useful life of the assets. The estimated useful economic lives are as follows:

Fixtures and fittings	3-10 years
Computer equipment	3 years

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost of book stocks comprises all costs directly related with development and publication including payments to authors, editing costs and design and printing costs. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs. A provision is made for slow moving stock.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2015

Taxation (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Leases

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term even if the payments are not made on such a basis.

Grants

Revenue grants received in respect of costs previously charged to the profit and loss account are recognised in the profit and loss account in the period in which they become receivable. Revenue grants received in respect of financial support for future periods are credited to the profit and loss account in the period which the support relates to.

Grants receivable in respect of tangible or intangible fixed assets are credited to the profit and loss account over the expected useful economic lives of the relevant assets to which they relate.

Grants received but not yet released to the profit and loss account are included as deferred income in the balance sheet.

Cash flow statement

The company has taken advantage of the exemptions available to wholly owned subsidiary companies under FRS 1 to not include a cash flow statement.

2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of value added tax. Income from theatre admission fees is included in the period in which the relevant show takes place. Income from other commercial activities is included in the period in which the company is entitled to receipt.

The turnover and pre-tax profit all arise within the United Kingdom in the current and preceding year and relate to the company's principal activity.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2015

3. OPERATING PROFIT

	2015	2014
	£	£
Operating profit is stated after charging/(crediting):		
Depreciation – owned assets	119,998	123,954
Amortisation	52,533	52,533
Revenue grants	(1,009,238)	(1,005,156)
Rentals under operating leases – plant and machinery	26,197	34,023
Rentals under operating leases – land and buildings	550,000	550,000
Fees payable to the company's auditor for the audit of the company's annual financial statements	22,000	20,425
Fees payable to the company's auditor for taxation compliance services	1,425	1,425

4. DIRECTORS' REMUNERATION

	2015	2014
	£	£
Directors' remuneration	323,739	366,590
Value of directors' pension contributions	361	30
Total	324,100	366,620
Emoluments of the highest paid director		
Total emoluments	182,779	179,195

The number of Directors who are a member of the pension scheme is 1 (2014: 1).

5. EMPLOYEES

Staff costs during the year (including directors)	2015	2014
	£	£
Wages and salaries	4,231,733	4,434,748
Social security costs	356,272	361,707
Pension costs	22,448	1,785
	4,610,453	4,796,455

Average number of persons employed (including directors)	No.	No.
Administration	74	72
Technical services	41	41
Customer services	100	97
Catering	123	118
	338	328

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2015

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
Bank interest	3	-

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015	2014
	£	£
Bank interest	2,273	7,057

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

Current tax	2015	2014
	£	£
United Kingdom corporation tax at 21% (2014: 23%) based on the profit for the year	-	-

(b) Factors affecting tax charge for the year

The tax assessed for the year differs to that resulting from applying the standard rate of corporation tax in the United Kingdom. The differences are explained below.

	2015	2014
	£	£
Profit/(loss) on ordinary activities before tax	148,567	362,267
Tax charge at 21% (2014: 23%) thereon	31,199	83,321
Effects of:		
Expenses not deductible for tax purposes	(12,863)	28,633
Capital allowances in excess of depreciation	(30,907)	(1,021)
Increase in/(utilisation) of tax losses	12,571	(109,310)
Group relief for nil payment	-	(1,623)
Current tax charge for year	-	-

A deferred tax asset has not been recognised in respect of timing differences relating to tax losses carried forward and relating to depreciation in excess of capital allowances as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised in relation to tax losses is £48,129 (2014: £24,438) and in relation to depreciation in excess of capital allowances is £67,310 (2014: £67,057). The total asset would be recovered if the company were to make sustainable taxable profits in future periods.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2015

9. INTANGIBLE FIXED ASSETS

	£
Cost	
At 1 April 2014 and at 31 March 2015	1,576,000
Amortisation	
At 1 April 2014	525,330
Charge for the year	52,533
At 31 March 2015	577,863
Net book value	
At 31 March 2015	998,137
At 31 March 2014	1,050,670

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 April 2014	796,291	279,924	1,076,215
Additions	63,500	98,262	161,762
At 31 March 2015	859,791	378,186	1,237,977
Depreciation			
At 1 April 2014	673,912	253,090	927,002
Charge for the year	87,318	32,680	119,998
At 31 March 2015	761,230	285,770	1,047,000
Net book value			
At 31 March 2015	98,561	92,416	190,977
At 31 March 2014	122,379	26,834	149,213

11. STOCKS

	2015 £	2014 £
Goods for resale	97,330	112,000

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2015

12. DEBTORS

	2015	2014
	£	£
Trade debtors	396,652	508,177
Amounts due from group undertakings	1,328,102	1,103,830
Prepayments and accrued income	627,420	381,438
Pre-paid development costs	45,761	-
Other debtors	131,214	145,174
	2,529,149	2,138,619

Amounts due from group undertakings are unsecured, repayable on demand and do not bear interest.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade creditors	867,861	799,422
Taxation and social security	448,757	200,428
Other creditors	141,415	200,298
Accruals and deferred income	5,182,375	4,459,867
	6,640,408	5,660,015

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015	2014
	£	£
Deferred income – capital grants received (note 21)	945,604	998,137

15. CALLED UP SHARE CAPITAL

	2015	2014
	£	£
Called up, allotted and fully paid		
1 ordinary share of £1 each	1	1

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S DEFICIT

	2015	2014
	£	£
Profit for the year	148,567	362,267
Opening shareholder's deficit	(1,047,188)	(1,409,455)
Closing shareholder's deficit	(898,621)	(1,047,188)

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2015

17. OPERATING LEASE COMMITMENTS

At 31 March the company was committed to the following annual operating lease commitments:

	2015 Land and buildings	2015 Other	2014 Land and buildings	2014 Other
	£	£	£	£
Leases which expire				
Less than one year	-	3,356	-	-
Between two and five years	-	22,840	-	26,197
More than five years	550,000	-	550,000	-
	550,000	26,196	550,000	26,197

18. CONTINGENT LIABILITIES

The company is party to joint bank facilities with The Lowry Centre Development Company Limited, a fellow subsidiary company, and joint guarantees are in place in respect of all amounts drawn under that facility. At 31 March 2015 The Lowry Centre Development Company Limited had no balances drawn under the joint facility (2014 - £nil).

19. ULTIMATE PARENT COMPANY

The company's immediate and ultimate parent company is The Lowry Centre Trust (a company limited by guarantee), which is incorporated in England. The Lowry Centre Trust is considered to be the company's ultimate controlling party.

The largest and smallest group in which the results of the company are consolidated is that headed by The Lowry Centre Trust. Copies of the group financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

20. TRANSACTIONS WITH GROUP COMPANIES

In accordance with FRS 8, disclosure is not required of transactions with entities that are part of the group headed by The Lowry Centre Trust.

21. DEFERRED INCOME

Deferred income includes capital grants as follows:	2015	2014
	£	£
Deferred income brought forward	1,050,670	1,103,203
Released to profit and loss account	(52,533)	(52,533)
Deferred income	988,137	1,050,670

This is disclosed in the financial statements within accruals and deferred income as follows:

	2015	2014
	£	£
Amounts falling due within one year	52,533	52,533
Amounts falling after more than one year	945,604	998,137
	998,137	1,050,670