

The background of the cover features a landscape with green mountains on the left and a vibrant rainbow arching across a cloudy sky on the right. A white, torn-edge paper overlay is positioned in the upper left, containing the text.

HALLÉ CONCERTS SOCIETY

(A Charitable Company Limited by Guarantee)

Annual Report and Accounts for the year ended 31 March 2020

Company Number 62753

Charity Number 223882

TRUSTEES' REPORT AND SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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The Hallé Concerts Society gratefully acknowledges the financial assistance of Arts Council England, Manchester City Council, the Association of Greater Manchester Authorities and Help Musicians UK.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Office: The Bridgewater Hall, Manchester M1 5HA

PATRON

HRH The Countess of Wessex

MUSIC DIRECTOR

Sir Mark Elder CH, CBE

MEMBERS OF THE BOARD

* Member of the Audit Committee

Member of the Nominations & Remuneration Committee

\$ Member of the Investment Committee

ELECTED

David McKeith Chairman # \$

Alex Connock

Darren Drabble #

Tim Edge *

Jon McLeod

Linda Merrick

Katrina Michel

John Phillips CBE *

Merryl Webster #

Aileen Wiswell # (appointed 2 July 2019)

NOMINATED BY MANCHESTER CITY COUNCIL

Cllr Azra Ali

NOMINATED BY AGMA

Eamonn Boylan

Cllr Janet Emsley

EXECUTIVE TEAM

John Summers Chief Executive and Company Secretary

Ruth Harkin Finance Director \$

ORCHESTRAL NOMINEE

Caroline Abbott

VICE PRESIDENTS

Martin McMillan

Edward Pysden \$

AUDITOR

Crowe U.K. LLP

3rd Floor

The Lexicon

Mount Street

Manchester

M2 5NT

SOLICITORS

Mills & Reeve LLP

1 New York Street

Manchester M1 4HD

BANKERS

The Royal Bank of Scotland plc

St Ann Street

Manchester M60 2SS

INVESTMENT ADVISERS

Schroder & Co Limited

12 Moorgate

London EC2R 6DA

COMPANY REGISTRATION NO

62753

CHARITY REGISTRATION NO

223882

CHAIRMAN'S REPORT

I doubt that the Hallé has experienced, in all its 162 years, a period of such extreme highs and lows as it encountered during the year to 31 March 2020.

In most respects this was a very successful year and featured:

1. The opening in November of our wonderful new Oglesby Centre building at Hallé St Peter's.
2. The first running of the Siemens Hallé International Conductors Competition. The final took place over four days at Hallé St Peter's in February this year and we look forward to welcoming the winner, Delyana Lazarova, when she joins us in September as Assistant Conductor.
3. Our Hallé CONNECT education and ensembles programme reached new levels in geographical reach and diversity of projects and participants.
4. In financial terms we delivered an outcome that was better than budget and completed the year with our expendable reserves at £2.7m.

Very sadly, Michael Oglesby, died on 21 November after a long illness, just as we were celebrating the opening of our new building, the Oglesby Centre. Mike, Jean and their family have been and continue to be unstinting supporters of the Hallé and many other Manchester cultural organisations. It is true to say that the Hallé would not have this outstanding rehearsal, education and performance space without Mike's wholehearted and vocal support and encouragement.

As the 2019/20 financial year drew to a close, the full potential impact of the COVID-19 pandemic became evident. Following government guidance, and with the health of our staff, volunteers and audience as our primary immediate concern, we cancelled all our concerts in Manchester and across the UK from 19 March, suspended all our ensembles and education projects and closed Hallé St Peter's. The whole orchestra and most staff were furloughed and all staff, including those still working, have accepted a temporary 20% cut in salary.

As I write this in July, the future looks very uncertain and challenging. We have the financial and management resources not to be in imminent danger and we have made appropriate claims from the government support schemes. Without further government financial assistance however, or a swift return to some level of normality, the nature and range of activities of the Hallé may have to change dramatically. We warmly welcome therefore the 5th July Government announcement of a significant rescue package for the Arts, though it may take some time before the details become clear.

Our Chief Executive for the last 21 years, John Summers, retires at the end of August. It is difficult to overstate the positive impact that John, working with Sir Mark Elder, has had on the Hallé as an orchestra and an organisation. He has taken an organisation which in 1999 was in a musical and financial crisis and has created an orchestra with a worldwide reputation, an outstanding education and ensembles programme and its own rehearsal, education and performance space in Hallé St Peter's. His final few months of work with us have inevitably been focused on managing the Hallé through the COVID-19 crisis, a task which has further demonstrated his great leadership and should not diminish the impact of his time here or the gratitude we all owe to him.

Thank you to all our supporters and to the board, musicians and staff for their hard work and enthusiasm throughout the year and at this difficult time.



David McKeith
Chairman

CHIEF EXECUTIVE'S REVIEW OF THE YEAR

The events of last year have, understandably, been overshadowed by the Coronavirus pandemic, the unprecedented effects of which are covered in earlier remarks from the Chairman. As I write, however, we hear the good news of a significant rescue package from the Government, though it may take some time before the details become clear.

By the time this report is read by you all, I will have retired – and I was hoping that with the good financial outcome last year, and the appointment of an outstanding successor in David Butcher, my last report would be full of good news (which it is) and a stable and prosperous future for the Hallé (which is, understandably, less certain). But in the spirit that we can only influence the things which lie within our control, I will focus on the things that happened last year.

One significant event was the indisposition of our Music Director, Sir Mark Elder, who had a major operation on his neck, which prevented him from conducting for several months. Much of the season, and our annual visit to the Proms, was built around some works with which he has a particular association and I know it was very frustrating for him (and us) to be unable to prepare and conduct the performances.

Our biggest loss during the year was the retirement of Geoffrey Owen as Head of Artistic Planning. Geoffrey has been with us over almost all of the period of Mark's music directorship and my incumbency as Chief Executive. He has coordinated and planned a hugely complicated web of concerts and projects and taken responsibility for our relationship with all the out of Manchester venues – where the Hallé continues to have arguably the busiest schedule of any UK orchestra. His understanding of the repertoire and his instinct for the ingredients that make a great programme will be sorely missed.

The crowning achievement in the year was the delivery of the completed Hallé St Peter's, which will provide a home and an inspiration

to much of our activities for generations to come. The support we have had to bring this project to fruition has been extraordinary, and my personal thanks go to Valerie Hawkin for her imaginative and resourceful stewardship of the construction, and very many others who not only contributed financially, but also through their work on the building. The fundraising effort was huge and highly successful, for which Kath Russell and her team must get special acknowledgment. Very special thanks go to the Arts Council of England, the Monument Trust, the Victoria Wood Foundation and above all Michael and Jean Oglesby for their belief and support in helping this happen.

In the 250th year of Beethoven's birth, we had planned to present a complete cycle of the symphonies in partnership with the BBC Philharmonic Orchestra. The concert would have combined the symphonies with major choral works as well as some rare examples of his vocal writing. In the event some of this took place:

The Hallé's contribution, a performance of Beethoven's 9th conducted by Mark, formed the concert focal point of the Association of British Orchestras conference, held in Manchester (including Hallé St Peter's). Leaders of the UK's orchestral organisations experienced the Hallé's unique sense of community, with two Hallé choirs as well as singers from the RNCM. We went on to repeat the symphony in London's Barbican.

In the Opus series of concerts we gave our next 'Beyond the Score' presentation, with the Fifth Symphony production playing three times to a very diverse audience. Unfortunately the virus also hit Beethoven's relatively neglected oratorio 'Christ on the Mount of Olives' and the Hallé Choir's involvement in the BBC Philharmonic's Missa Solemnis, which should have closed the cycle in June 2020.

We also continued our year-long celebration of Berlioz climaxing with



The Oglesby Centre at Hallé St Peter's
Image © Daniel Hopkinson Architectural Photography

CHIEF EXECUTIVE'S REVIEW OF THE YEAR



Come and Play with the Hallé 2019

his great dramatic symphony *Romeo & Juliette*. Mark had long hoped to present this great masterpiece (first played by the Hallé under Sir Charles in 1881) in the Bridgewater Hall but in his absence from the platform we welcomed Ludovic Morlot. Similarly our performance of “*L’Enfance du Christ*” at the BBC Proms was taken on, at relatively short notice, by the very promising young conductor Maxine Pascal who will be returning to the Hallé in the 2021/22 season. Martin Brabbins took over from Mark at the Edinburgh Festival, in a performance of Elgar’s “*The Kingdom*”.

Before the Covid-19 lockdown we welcomed regular collaborators such as Andrew Manze, Cristian Macelaru and Carlo Rizzi to the Hallé along with new conducting talent such as Klaus Mäkelä and Tabita Berglund for some memorable weeks of music making.

Mark was due to close the season with Mahler’s great Third Symphony, with Alice Coote, and complete performances of Puccini’s *Madama Butterfly* with an outstanding cast from the world of opera, including star Japanese soprano Eri Nakamura in the title role.

The opening event of Hallé St Peter’s in November offered the chance for the orchestra to perform two works close to the Hallé’s heart. Conducted by past Assistant Conductor Jamie Phillips, whilst Mark was still in recovery, the orchestra performed the second movement of Huw Watkins’ *Symphony No. 1*, a Hallé commission, and *Rai* by Tarik O’Regan recorded by the Hallé in 2016 for NMC. The event, which also included contributions from the Hallé Youth Choir, was a celebration of the Hallé family and shone a light on our commitment to British contemporary music.

Ryan Wigglesworth continued his relationship with the Hallé in a less

formal sense; we will feature his own compositions over the next few seasons.

Of the twelve guest conductors in the 2019/20 season, seven were to have made their Hallé debuts, including three young women, a sign of the welcome rise of women conductors in recent years.

We had a very busy and successful season of Pops Concerts this year, and for this particular thanks go to Stephen Bell our Associate Conductor – who organises and conducts many of these concerts so brilliantly.

Jonathan Hayward completed his stint as our Assistant Conductor, and we will miss him hugely. His stewardship of the Youth Orchestra and his conducting in a variety of concerts with the Hallé was exemplary. We look forward to watching his burgeoning international career with great interest.

Huge thanks must go to our Choral team for their massive contribution to the life of the Hallé. Led by Matthew Hamilton the Hallé Choir conductor and Choral Director, they consist of Stuart Overington, who continues to set new standards in his directorship of the Hallé Youth Choir and Youth Training Choir and the incomparable Shirley Court weaves her weekly magic with the Hallé Children’s Choir. They were ably supported by Joseph Judge and Michelle Robinson and many other talented members of our choral team.

We continued the Hallé’s successful series of Debussy recordings, with two CDs being released this year. We also continued our Vaughan Williams cycle – with only the 9th symphony (unfortunately cancelled due to Covid-19) to complete. These recordings will be released in the coming months.

CHIEF EXECUTIVE'S REVIEW OF THE YEAR

HALLÉ CONNECT EDUCATION

Whilst the gloss has been taken off the end of this year's programme due to the impact of the Coronavirus, this has been an excellent education and community year for the Hallé. Since the introduction of the HALLÉ CONNECT branding, along with the revisions made to the website, we have seen a marked increase in the number of schools from across the region and beyond asking for specific projects. As a result, this has been a record-breaking year for the number of programmes (90) the department has delivered. What has been particularly encouraging is that one of our main core programmes, the Hallé for Youth concerts, has attracted the largest audiences that we have had in the past 4 years. Nearly 12,000 children attended the 6 concerts this year.

The 2019/20 season saw the orchestra perform 23 schools' concerts to over 32,000 young people – from Sir Mark Elder's Roadshow in May 2019 which took place in Bolton and Salford, through Hallé for Youth in Manchester and Sheffield and the 11 Come and Play concerts from summer 2019. For the first time we also performed three concerts at The Bridgewater Hall for very young children, 4-7 years (Key Stage 1).

This season also saw a marked expansion of our work with people living with dementia. We launched new initiatives across Greater Manchester, most notably our research programme with the Institute for Dementia at the University of Salford, a musicians' in-residence programme at the Woodlands Hospital, Worsley through the Greater Manchester Mental Health Trust. We were also commissioned by Heywood, Middleton and Rochdale Clinical Commissioning Group to carry out programmes in 4 care homes in that region and the Oasis Dementia Ward at Rochdale Infirmary.

Another highlight in our year was the culmination of the latest collaboration with the Able Orchestra. The Hallé has had an association with this ensemble for the past 5 years. The Able Orchestra is based around Fountaindale Special School in Mansfield, North Nottinghamshire and associated local high schools. The programme works by creating an ensemble of able-bodied musicians working alongside disabled musicians from the special school – both sets of students then create new music assisted by Hallé musicians. The main focus of this project was a collaborative new work put together by the Manchester born composer Oliver Vibrans. Oliver's new work *More Up* was so impressive that following the conference the Hallé has commissioned Oliver to compose a piece for the Hallé Youth Orchestra.

ENSEMBLES

Through the Hallé's ensemble programme over 670 participants are involved in active music-making every week, from age 8 upwards, of which over 280 are young people. Choirs range from the children's choirs, to experienced symphony chorus, to open access choirs. There is also our family of workplace choirs in companies across the North West.

In Summer 2019 the Youth Orchestra and Choir toured together to Barcelona and the Costa Brava. It was a fantastic tour in a beautiful part of the world, and a fitting farewell to Jonathon Heyward, Assistant Conductor and Youth Orchestra Music Director since 2016.

The Children's Choir performed Colin Matthew's *Alphabicycle* with the Hallé in the Bridgewater Hall as well as Lin Marsh's *How the Leopard Got His Spots* at the Just So Festival in Cheshire.

The Youth Training Choir enjoyed a residential weekend of vocal

training and team-building fun at the Kingswood Outdoor Pursuits centre in Yorkshire.

The Hallé Choir toured to Spain, performing Holst's *The Planets* with Andrew Gourlay and the Castile and León Symphony Orchestra and a programme of English "a cappella" repertoire at the Miguel Delibes Cultural Centre in Valladolid.

The Hallé Choir joined with the BBC Singers, Hallé Youth Choir and the Hallé Ancoats Community Choir to form the massed singers for the world premiere of Emily Howard's *'The Anvil: an Elegy for Peterloo'* with the BBC Philharmonic under the direction of Ben Gernon as part of the Manchester International Festival.

The Ensembles team had an exceptionally busy autumn term, the highlight of which was undoubtedly moving into Hallé St Peter's and welcoming our families into the new space. After the celebrations of the opening evening on 20th November, we welcomed over 1,200 visitors in the course of two hectic days of musical activities throughout the building over the following weekend. Visitors included members of our ensembles and their families, patrons, local Ancoats residents and the general public.

On 26th January the whole Youth Orchestra sat side-by-side with the whole Hallé on stage at the Bridgewater Hall. We had a total of 123 musicians on stage, and were delighted to welcome back Jamie Phillips who conducted extracts from Prokofiev's *Romeo and Juliet* while Ellie Slorach conducted Shostakovich's *Festive Overture*.

The Beethoven 'Ode to Joy' concert on 30th January, coinciding with the ABO conference and a live Radio 3 broadcast, was in some ways a statement of confidence in our choral excellence. The Youth Choir was placed centre-stage behind the strings for Beethoven's beautiful *Elegischer Gesang*, and the Hallé Choir was joined by singers from the RNCM Chorus for the first of four performances of Beethoven's 9th Symphony. Since then the Hallé Choir has toured with the Orchestra to the Barbican, Nottingham Royal Concert Hall and the Sage Gateshead.

Following the successful launch of the Choral Leadership Network website in November, events are gathering momentum with a range of training events, singing meet-ups and targeted boys' singing activities planned and in progress.

SIEMENS HALLÉ INTERNATIONAL CONDUCTORS COMPETITION

The inaugural Siemens Hallé International Conductors Competition was a huge success in February at Hallé St Peter's, and we are extremely grateful to Siemens for not only their sponsorship, but their support in a great number of ways which helped to make this event happen. In total, 287 conductors applied from across the world resulting in three days of competition for the ten chosen semi-finalists in front of an invited audience. The final element of the competition was a performance of selected works with the Hallé – with repertoire ranging from Beethoven to Verdi to Huw Watkins, the finalists all had a chance to show their approaches to different styles.

Delyana Lazarova (from Bulgaria) was the winner of first prize and appointed as the new Hallé Assistant Conductor. Delyana is a very welcome addition to the Hallé family and is looking to move to Manchester in time to take up her post from September 2020.

SPONSORSHIP AND FUNDRAISING

The Development Department had a busy and broadly successful year focussing on two major projects. The first was the culmination of the

CHIEF EXECUTIVE'S REVIEW OF THE YEAR

Deliana Lazarova conducting in Hallé St Peter's at the Siemens Hallé International Conductors Competition 2020



inaugural Siemens Hallé International Conductors Competition at Hallé St Peter's (see above). This project was in development for over three years and we worked closely with our colleagues at Siemens in both the UK and Germany to create an international competition that has, even in its first iteration, received wonderful press and praise. With many thanks to Siemens for their vision and commitment but also a large number of in-kind supporters who made the event so memorable; The Edwardian Hotel, Jury's Inn, InnSide, Malmaison, Wood Restaurant, Restaurant Bar and Grill and EasyJet.

The second big event was the culmination of over 10 years of fundraising and two fundraising appeals with the opening of Hallé St Peter's and the linked Oglesby Centre in November 2019. As reported earlier, this project was completed on time and in line with budget last November, with both capital fundraising and revenue support for ongoing activities in place. I would like to express huge thanks to the Arts Council for their very generous support of the project, and to the major donors, notably Mike and Jean Oglesby, after whom the new building was named, Stewart Grimshaw, through the Monument Trust and the Victoria Wood Foundation. Many other trusts and individuals gave very generously to the project, the opening of which was celebrated by a special event.

THE ADMINISTRATION, BOARD AND TRUSTEES

Yet again I would like to thank the administration and Board for all of their hard work during the year, especially those Board and Committee members who give up a lot of their free time to advise and assist the Hallé. Special thanks should go to Ruth Harkin and her Finance team for preparing these accounts and David McKeith as Chairman who has been tireless in his support of the Hallé.

THE ORCHESTRA

For one last time I must thank the Orchestra for their amazing contribution though the year, and throughout my time as Chief Executive in an astonishing range of concerts and programmes. The variety and quality of what they provide should never be taken for granted and I will miss them all hugely.

COMINGS AND GOINGS

The search for a Leader has unfortunately been delayed but will be resumed as soon as we are in a position to offer opportunities to guest lead the orchestra.

Philippa Heys moved to a 50% job-share basis in October 2019 and we are currently auditioning and trialling for the other part of the post.

Amy Yule, Principal Flute started in November 2019.

Helena Buckie resigned from her post as Principal 2nd Violin in January and trials are ongoing, although delayed.

Katie Jackson has been appointed as Tutti 1st violin and whilst she should have joined us in June has deferred her start date until later in the year.

As well as the retirement of Geoffrey Owen, we also said goodbye to Alex Benn and William Purcell, welcoming Lawrie Bebb and Jenny Espin as their replacements.

John Summers
Chief Executive

THREE YEAR FINANCIAL SUMMARY

The table below shows the underlying operating results for the Hallé group before the exceptional items of income and expenditure incurred over the last three years.

	2020 £000	%	2019 £000	%	2018 £000	%
Income from normal charitable operations excluding exceptional items						
Box office	1,552	17%	1,738	17%	1,623	16%
Engagements, touring & broadcasting	1,183	13%	1,392	14%	1,338	14%
Education & Hallé St Peter's	181	2%	196	2%	291	3%
Sponsorship	735	8%	638	6%	548	6%
Fundraising, legacies & bequests	800	9%	1,766	18%	1,815	18%
Investment income	136	2%	132	1%	118	1%
Revenue grants	3,250	37%	3,170	32%	3,242	33%
Orchestra Tax Credit	1,044	12%	990	10%	900	9%
TOTAL	8,881	100%	10,022	100%	9,875	100%
Normal Operating costs						
Orchestra, related staff and other costs	4,402	46%	4,230	44%	4,050	44%
Conductors, soloists and freelance	851	9%	1,066	11%	877	9%
Hall hire & box office charges	864	9%	930	10%	827	9%
Other performance related costs including touring	1,375	14%	1,214	13%	1,406	15%
Marketing & Communications	439	4%	469	5%	455	5%
Education & Hallé St Peter's	925	10%	845	9%	815	9%
Fundraising	408	4%	383	4%	358	4%
Other	388	4%	477	5%	463	5%
TOTAL	9,652	100%	9,614	100%	9,251	100%
Net operating surplus/(deficit)	(771)		408		624	
Transfer from Endowment	200		201		196	
Surplus/(deficit) before exceptional items	(571)		609		820	
Net exceptional items (see below)	2,604		2,001		4,018	
Total surplus/ (deficit) for the year	2,033		2,610		4,838	

Exceptional items comprise:

2020:

- £2,532k Arts Council Capital Grant funding for the St Peter's Phase 2 building project
- £72k other capital donations for the St Peter's Phase 2 building project

2019:

- £2,066k Arts Council Capital Grant funding for the St Peter's Phase 2 building project
- £323k other capital donations for the St Peter's Phase 2 building project
- £388k provision for the cost of equalising Guaranteed Minimum Pensions

2018:

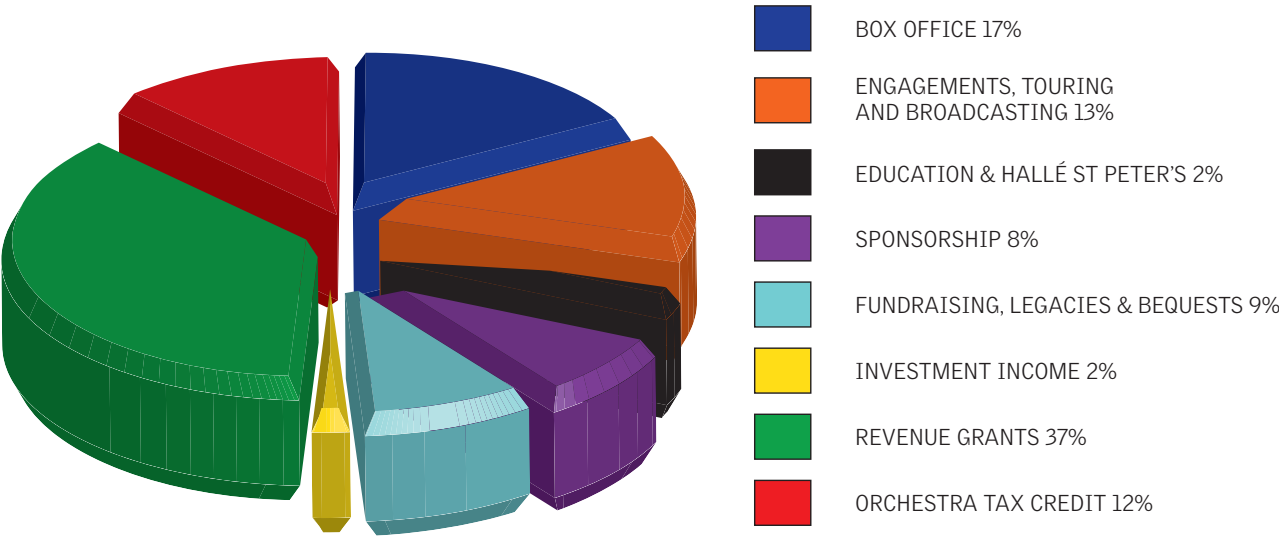
- £1,050k capital donations for the St Peter's Phase 2 building project
- £2,000k restricted grant to support artistic development and activities in the new St Peter's facility
- £968k Orchestra Tax Relief claim for 2016/17

	2020 £000	2019 £000	2018 £000
Total funds			
Unrestricted before pension liability	(318)	(213)	(324)
Pension liability	(9,516)	(10,712)	(10,919)
Total unrestricted	(9,834)	(10,925)	(11,243)
Restricted	12,017	10,110	7,299
Main Endowment Funds	3,830	4,066	4,422
Catalyst Endowment Funds	2,260	2,404	2,451
TOTAL FUNDS	8,273	5,655	2,929

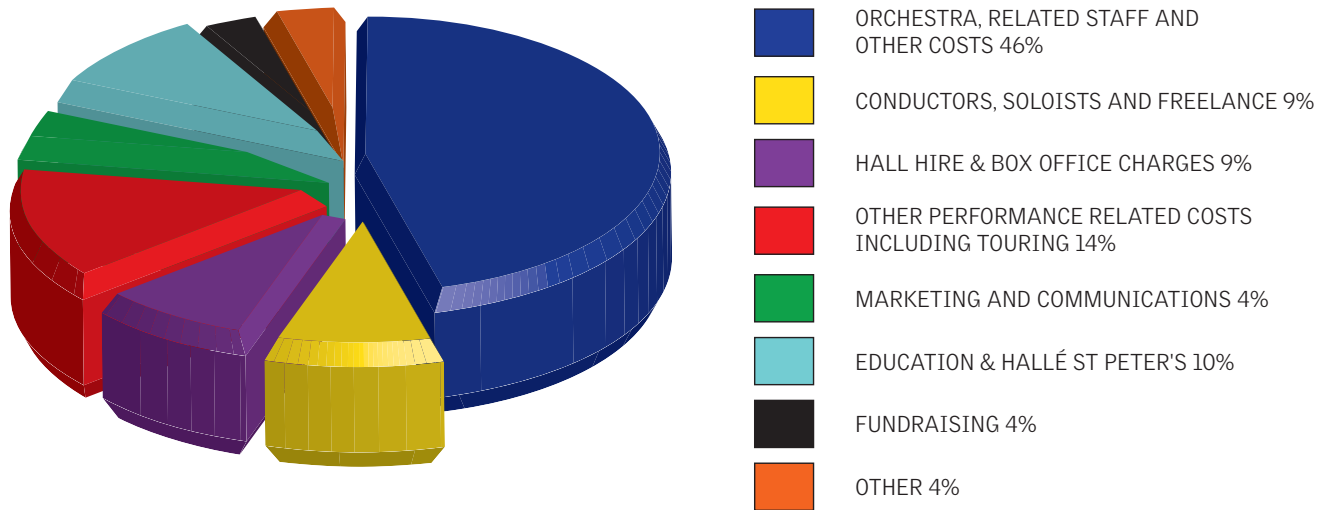
The increase in total funds of £2,618k compared to 2019 is largely due to the capital grant and capital donations of £2,604k noted as exceptional items above.

SUMMARY FINANCIAL INFORMATION

WHERE THE MONEY CAME FROM



WHERE THE MONEY WAS SPENT



TRUSTEES' REPORT

The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their annual report and the audited financial statements for the year ended 31 March 2020, in compliance with current statutory requirements, the governing documents and Charities SORP (FRS 102): Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

REFERENCE AND ADMINISTRATIVE DETAILS

Details of the registered office, Trustees, principal officers and other relevant information are given on page 4.

The Hallé Concerts Society ("the Society") is a company limited by guarantee, governed by its Articles of Association as amended and adopted by Special Resolution on 26 October 2009. It is registered as a charity with the Charity Commission.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Society's Board of Trustees is responsible for its affairs and the Chief Executive reports to the Board on behalf of the Management and Staff. The Board consists of a maximum of 13 members appointed as follows:

Elected:	Nominated by ten members of the Society, unless recommended by the Board
Nominated	Nominated by Manchester City Council (1) and GMCA (2), appointed by the Board

The Board meets approximately 7 times a year to review strategy and operational performance and to set operating plans and budgets. Day to day management is delegated to the Chief Executive.

The Board has three standing committees with specific areas of responsibility and which make recommendations to the Board:

- Audit Committee – responsible for overseeing the Society's financial reporting, external audit and reviewing the Society's internal control and risk management systems;
- Nominations & Remuneration Committee – responsible for reviewing the structure, size and composition of the Board and the Trustee bodies of the Society's related trusts, having regard to the balance and mix of skills required, and making recommendations to the Board about any adjustments deemed necessary. This Committee is also responsible for setting the procedure for recruitment of Board members and other senior appointments, for recommending appointments to the Board and setting the framework for remuneration of senior appointments; and
- Investment Committee – responsible for overseeing the investment portfolio of the Society and its related entities.

Other ad hoc committees may also be formed to oversee special projects, including the St Peter's Steering Committee, and their terms of operation are agreed in advance by the Board.

The members of the three standing committees are

Audit Committee

Tim Edge (Chair) *
John Phillips *
William Smith (co-optee)

Nominations and Remuneration Committee

Darren Drabble * (Chair)
David McKeith *
Merryl Webster *
Aileen Wiswell * (app 10 Sep 2019)

Investment Committee

John Schultz (Chair) \$
Richard Bailey (Chair) \$ (resigned 31 Oct 2019)
Carol Culley ^
John Eckersley
Prof John Garside \$ (resigned 21 Aug 2019)
Jim Finlay \$
Ruth Harkin
David McKeith * \$
Edward Pysden \$

* Member of Hallé Board

\$ Trustee of Hallé Endowment Trust

^ nominated by Manchester City Council

Full terms of reference for the standing committees and short CVs of Board Members are available on the Hallé website, www.halle.co.uk.

TRUSTEES

All Trustees have an equal vote and have the statutory duties and obligations of Trustees.

All Trustees who are members of the Society are guarantors of the Society with a maximum liability of £5.

At each Annual General Meeting the two longest-serving elected Trustees retire from office. If a Trustee directly replaces another Trustee, the Trustee retires at the meeting at which the outgoing Trustee would have retired. In accordance with the Articles of Association the following Trustees retire by rotation:

Jon McLeod
Katrina Michel

The Company Secretary ensures that appropriate induction and training is given to all Board members; for example updates on new charity regulations are provided at Trustee meetings. Each new Trustee is provided with a pack of information about the Hallé and their responsibilities as Trustees and is given an opportunity for personal meetings with the Chairman and senior management of the Society.

STRUCTURE OF THE GROUP

The Hallé Concerts Society includes the Hallé Concerts Society Sickness and Benevolent Fund, which is a charity linked by a Charity Commission Uniting Direction. The Sickness and Benevolent Fund results are included as a restricted fund within the Society's financial statements.

The Hallé Concerts Society Group (the Group) consists of the Hallé Concerts Society, its subsidiary Hallé Promotions Limited and two related trusts: the Hallé Endowment Trust and the Charles Hallé Foundation on the basis that they are subsidiaries of the Society.

The Society also has a connected charity, the Terence Judd Trust Fund, which was set up in memory of the pianist, Terence Judd, by his family, who still have an active interest in its activities. This connected charity is not consolidated or aggregated, in accordance with Statement of Recommended Practice (SORP) FRS 102.

RISK MANAGEMENT AND INTERNAL CONTROL

The Trustees are responsible for ensuring that an effective system of internal financial control is maintained and operated by the Society.

The system can provide only reasonable, and not absolute, assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or detected within a timely period.

The system of internal financial control is based on a framework of regular management information; administrative procedures, including the segregation of duties; and a system of delegation and accountability.

TRUSTEES' REPORT

In particular it includes:

- A comprehensive budgeting system, with a strategic plan and an annual budget, which is reviewed and agreed by the Trustees;
- Regular reviews by the Trustees of periodic and annual financial reports, which indicate financial performance against approved budget and forecast;
- Clearly defined capital expenditure control guidelines;
- A review by the Audit Committee of the comments made by the external auditors in their management letter and other reports; and
- Procedures for monitoring progress against the strategic plan.

As part of the monitoring process, the Trustees have implemented a risk management strategy, which comprises:

- Regular review by management and an annual review by the Board of the risks which the Society may face and actions taken to mitigate identified risks (last review completed in March 2020);
- The establishment of systems and procedures to mitigate those risks identified; and
- The implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

OBJECTIVES AND ACTIVITIES OF THE SOCIETY

The object of the Society, as stated in its Articles, is to promote the study, practice and knowledge of the art of music in the United Kingdom and elsewhere by the giving and arrangement of concerts, and other such means as is thought fit including, without limitation, performances of the Hallé Orchestra at the Bridgewater Hall, Manchester for the benefit of the public generally. Its mission is to be one of the World's most important symphony orchestras and to make a distinctive contribution to promoting Manchester as a significant European cultural centre.

The Society's strategy to achieve its charitable objectives is to undertake the following major activities:

- Promoting concerts by the Orchestra and by other artists and ensembles in Manchester as the principal resident orchestra at the Bridgewater Hall, performing a wide range of music for diverse audiences including concerts and events for schools and family concerts;
- Performing concerts throughout the United Kingdom including residencies in Nottingham and Sheffield, appearances at major arts festivals such as the BBC Proms together with regular engagements in Leeds, Blackburn, York, Hanley, Lincoln and others;
- Concert performances overseas in association with local promoters, acting as a cultural ambassador for the Manchester City region;
- The production of highly acclaimed recordings issued on the Hallé's own label;
- Regular broadcasts for radio, television, the internet and other digital media;
- An extensive and award-winning education programme in Greater Manchester and elsewhere working with over 40,000 children and young people; and
- Running the Hallé Choir, an unpaid chorus of around 170 singers, together with the Hallé Youth Orchestra and Choir and Hallé Children's Choir, which all perform both individually to combined audiences of around 20,000 people as well as with the Hallé Orchestra and other ensembles.

PUBLIC BENEFIT

In shaping the objectives for the year and planning the Society's activities, the Trustees have considered the Charity Commission's

guidance on public benefit, including the guidance on public benefit and fee charging. The Society relies on grants, donations, sponsorship, engagement fees and income from sale of tickets to cover its operating costs. Its work is also informed by the aims of its principal public funders including the Arts Council's goal of 'Great Art for Everyone' and the social and cultural priorities of the Greater Manchester Combined Authority (GMCA) and Manchester City Council in ensuring the widest number of people in the region have the opportunity to experience the Hallé's work. In setting the level of ticket prices and concessions, the Trustees give careful consideration to the accessibility of the Hallé to those on low incomes and with special needs. A special scheme for students provides them with access to heavily discounted tickets.

Schemes are in place to encourage attendance from those who would not ordinarily have access to concerts. The Hallé offers free tickets and programmes, as well as advice and support to many diverse groups including those targeted through the GMCA network.

Charges for education and outreach work aim to ensure those activities are accessible to the widest possible community, whatever their means, and activity is targeted at schools and communities where there are limited opportunities for cultural involvement and where there may be multiple barriers to participation. Membership of the youth and children's ensembles is free and, with the generous aid of our supporters, bursaries are available to help the less well-off members. The extent of our outreach work is described in more detail in the Chief Executive's Review of the Year and on the Hallé website. The website also makes video and audio content available, free of charge, to users across the world.

Events in Hallé St Peter's and in St Michael's are planned to encourage active participation from the local community and the charging structure for events offers heavily discounted rates for community groups.

STRATEGIC REPORT

ACHIEVEMENTS, PERFORMANCE AND FINANCIAL REVIEW

The Group's accounts have been prepared in accordance with Charities SORP (FRS 102).

The Statements of Financial Activities for the Group and the Society are set out on pages 22 and 23 and the consolidated and aggregated summary income and expenditure of the Group is given on page 21. A full review of the Society's activities and achievements is set out in the Chairman's Statement and the Chief Executive's Review of the Year, which have been approved by the Trustees.

OVERALL FINANCIAL REVIEW

As with most organisations in the current situation, our financial review must be made in the context of the impact and uncertainty arising from Covid 19. Although the direct impact on the financial results was limited to the last month of the financial year, the ongoing impact will be enormous. We consider ourselves to be relatively fortunate having entered this crisis period with reserves above our target level, having benefitted from successful fundraising campaigns to support activity at our newly extended Hallé St Peter's facility. These reserves were however required to support activity over the next 5 years and our forward budget planning was on this basis. If these reserves are depleted in the shorter term due to cessations and reductions in activity, as well as the wider economic impact of the virus, this will pose a major risk to the future of the Hallé. Before reviewing the results of the 2019/20 financial year it is therefore appropriate to comment on going concern considerations at this point in the report.

GOING CONCERN

The Trustees have adopted the going concern basis in preparing these accounts after assessing the principal risks and the impact of a range of scenarios arising from Covid-19.

TRUSTEES' REPORT

There are multiple uncertainties in attempting to forecast the impact of Covid-19; the major factors for the Hallé being: the duration of the ban on mass gatherings in an indoor environment, the view taken by our host venues on re-opening (particularly in respect of our residency at the Bridgewater Hall), the extent of government support for the sector and the ability/willingness of our audiences to return.

The Trustees have considered the impact of Covid-19 on the Hallé for the next 18 months and the longer term. Although the evolving situation makes scenario planning very difficult, we modelled a number of scenarios based on different opening dates through from September 2020 to April 2021. In all cases income expectations against normal levels were reduced for up to a year after re-opening to reflect the potential longer term impact on audience numbers and fundraising. From our overall assessment we consider that restarting our main concert activities in April 2021 is a severe but plausible scenario. This assumes no income from ticket sales, out of town engagements or events at Hallé St Peter's for a full financial year from 1 April 2020.

The other major assumptions in this scenario are:

- The continuation of support towards salary costs through the Coronavirus Job Retention Scheme, until the end of October 2020;
- Savings on Hall fees from our main venue at Bridgewater Hall during any period of closure (under force majeure);
- Arts Council and local authority support at current grant levels;
- Pension scheme deficit payment remains at current level;
- Temporary reductions in pay across all staff groups furloughed and non-furloughed;
- Orchestra Tax Relief not available because no qualifying concerts performed;
- A reduction of more than 30% in our fundraising/sponsorship income.

Under this scenario the expendable reserves will be significantly depleted but will remain in surplus until November 2021. There is also sufficient liquidity to operate beyond March 2022 due to the additional headroom of an agreed £500k overdraft facility under the CBILS scheme.

The Trustees have also based their going concern assessment on potential management actions to mitigate the financial impact of such a scenario, if for example there was no indication of further government support beyond October 2020. These include extending the period of the salary reduction and utilising restricted reserves.

Taking the above factors into account, the Trustees believe that the Charity is reasonably well placed to manage the operational and financial risks of Covid-19 satisfactorily, and have a reasonable expectation that the Charity will have adequate resources to continue in operation for at least 12 months from the signing date of these consolidated financial statements. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

OVERVIEW OF 2019/20 FINANCIAL RESULTS

The Society ended the financial year in a better position than expected, having improved on our budget for the year. Despite sales for our Manchester concerts being somewhat disappointing compared to last year, our out of town engagements and schools concerts met target, and fundraising and orchestra tax relief both brought in income exceeding budgets. Together with measures to control and reduce costs, the overall outturn was £150k better than budget. The impact of lost income due to reduced audiences, cancelled concerts and other cancelled events in March was largely mitigated by reduced costs and support from the Coronavirus Job Retention Scheme (CJRS).

The Income and Expenditure Account on page 21 shows that overall the Group generated a net surplus for the year of £2,033k (2019:

surplus £2,610k), of which £571k is a "loss before exceptional items" and £2,604k is a surplus categorised as "exceptional" due to its one-off nature, arising from the income received specifically to fund the now completed Hallé St Peter's capital project, comprising an ACE capital grant and restricted donations.

The loss of £571k before exceptional items reflects the pattern of our fundraising and the associated building up of reserves in recent years. We developed a very successful fundraising campaign around the project to extend Hallé St Peter's, raising over £1.5m towards the capital costs (in addition to ACE capital funding of £4.5m) and £2.5m to support ongoing activity. The revenue funding target of £2.5m was met in 2018/19, ahead of schedule, and is now being used to support the expenditure associated with our ongoing activities, with a planned £250k transfer from reserves having been made in this financial year. In addition, £320k of artistic expenditure in 2019/2020 has been funded from a restricted reserve set up specifically for this purpose with generous donations from the Monument Foundation in previous years. Current year expenditure also includes depreciation charges for assets (including Hallé St Peter's) where the charge is covered by restricted funds received in previous years for this purpose.

The Consolidated Statement of Financial Activities (SOFA) on page 22 is a more comprehensive presentation of the Group's financial results in 2019/20, as it brings in the Endowment Fund and shows income and expenditure split between unrestricted and restricted categories. This statement also brings in the actuarial gain on the defined benefit pension scheme and investment losses so that a full reconciliation of the movement in funds from 1 April 2019 to 31 March 2020 is provided.

The SOFA shows that total Group funds, including restricted and endowment funds have increased by £2,618k from £5,655k to £8,273k. This increase of £2.6m is largely due to 3 key factors: the ACE Capital Grant for Hallé St Peter's (£2.5m), an actuarial gain on the defined benefit pension scheme (£1.0m) and investment losses (-£0.4m). Although an increase in funds is a positive development, demonstrating greater financial stability for the Hallé, there are some important caveats:-

- the majority of the funds are held in restricted reserves or permanent endowment funds. For example, all of the capital funding received for St Peter's, which is included in restricted reserves will be required to cover the depreciation charges on the building as it is written off over its life. In respect of the Endowment Trust, only the income and some investment gain are available to support expenditure because the capital is permanent endowment.
- the actuarial gain on the defined benefit pension liability, resulting in a reduced liability of £9.5m at 31 March 2020 is calculated in line with financial reporting standards, whereas the actual triennial valuation which is currently being assessed by the pension actuaries is expected to result in an increased liability. It is the actual triennial valuation which will determine the deficit payments to be made by the Society over future years (currently £450k per annum). Further detail on the pension scheme liability is provided in note 22 of the financial statements. The Board of the Society works collaboratively with the separate board of pension Trustees to meet pension regulator requirements and balance pension obligations with the future financial security of the Hallé Concerts Society, recognising that the two priorities are closely linked.

The pension liability noted above represents one of several challenges and risks which faced the Society before the onset of the additional problems and uncertainties brought by Covid-19. In addition, there is the ongoing pressure of the underlying budget deficit caused by inflationary pressure on costs compared with static or decreasing public sector funding.

Further detail on income and expenditure is provided below.

TRUSTEES' REPORT

INCOME

A full analysis of income is provided by notes 5, 6 and 7 to the Accounts. Total income in 2019/20 amounted to £11.7m (2019: £12.7m).

The majority of the £1.0m reduction compared to 2018/19 relates to higher fundraising income in the previous year due to the Hallé St Peter's campaign which was largely completed in 2018/19. Our general fundraising target for 2019/20 was exceeded, with donations and legacies (excluding public sector grants) of £1.3m and corporate sponsorship of £0.5m.

In 2019/20 we also received further instalments of ACE Capital Grant funding for Hallé St Peter's (£2,532k of a total £4,840k, with £2,066k received in 2018/19).

Box office income for our Manchester concerts at the Bridgewater Hall amounted to £1.5 million (2019 £1.7 million). Ticket sales were lower through 2019/20 compared to the previous year when targets were exceeded. In addition, Covid-19 impacted significantly in March with reduced audiences and the cancellation of two concerts which had exceeded target. The impact of the virus on March ticket sales was approximately £0.1m.

Engagement fee income from our out of town performances was also impacted by cancelled concerts at the end of March with the loss of £35k of fees. Overall however our budget for income from out of town engagements and schools concerts was planned to be lower than in 2018/19; these engagements will vary in number from year to year and 2018/19 was an exceptional year with a higher than usual number of profitable engagements.

It is also worth noting that the contribution to the financial position from concert activity depends very much on the interaction between costs and income, with higher selling concerts often (but not always) associated with higher costs; therefore to focus solely on income can be misleading.

Orchestra Tax Relief (introduced in 2016/17) continues to have a significant beneficial impact, going some way to address the significant funding gap that has arisen due to real-terms and actual reductions in public sector funding over the past 11 years. Within the 2019/20 financial year we are showing £1.0m in respect of our expected income from this source.

During 2019/20 we received £3.3m in respect of revenue funding from public sector bodies. The revenue grant levels from our major funders: ACE, Greater Manchester Combined Authority (GMCA) and Manchester City Council are at the same level as last year. This year's total includes an additional £80k from the Coronavirus Job Retention Scheme to support the salary costs of furloughed staff at the end of March.

EXPENDITURE

A full analysis of expenditure on charitable activity is given in note 9. Total resources expended amounted to £9.7m (2019: £10.0m).

Expenditure is at very similar levels to the previous year after taking into account the reduction in pension costs in respect of the defined benefit scheme. (In 2019 an additional £0.4m was included in pension costs relating to a provision for the cost of equalising Guaranteed Minimum pensions.)

As would be expected, the majority of our costs relate to orchestral activity, with staff costs and venue hire representing the largest components. Other than inflationary rises there has been no other significant changes in costs.

SUBSIDIARIES

The Society's wholly owned subsidiary, **Hallé Promotions Limited**, did not trade during the year.

The **Hallé Concerts Society Sickness and Benevolent Fund**, which is a charity linked by a Charity Commission Uniting Direction, holds investments, which, at the discretion of the Society, may be applied to assist employees of the Society who are in temporary distress through poverty or sickness. The Fund is overseen by the Board of the Society. The Sickness and Benevolent Fund results are now included as a restricted fund within the Society's financial statements.

The Sickness and Benevolent Fund is treated as a restricted fund of the Hallé Concerts Society for the purposes of the Company and Consolidated Statement of Financial Activities and is overseen by the Board of the Society. The income from this fund has traditionally been used to meet the costs of physiotherapy treatment and similar expenses. In 2018/19 the Board agreed that the cost of the premium for the health insurance for Orchestra players fitted within the objectives of the Fund and that the Fund would plan to cover this cost in the future (although this will be regularly reviewed in respect of affordability and longer-term planning for the Fund). The cost charged to the Fund in 2019/20 is £46k in addition to physiotherapy and similar benefits of £9k (2019: £10k).

The Charles Hallé Foundation holds funds raised from public donation, legacies and fundraising events. These funds are applied, at the discretion of the Foundation Trustees, to fund projects by the Society which would not otherwise be funded from core grant income. In 2019/20 the Charles Hallé Foundation received £239k in donations and legacies (2018/19: £416k) and raised £23k (2018/19: £22k) net income through fundraising events. Funds of £410k (2018/19: £271k) were transferred to the Society to support educational and other projects. Total funds at 5 April 2020 were £21k (2019: £185k).

The Hallé Endowment Trust holds long-term investments, the income from which is available to the Society, at the discretion of the Endowment Trustees, to further the education of the general public in the study, appreciation and practice of music and the allied arts through supporting the activities of the Society. The Endowment Trust comprises two funds – the Main Endowment and the Catalyst Endowment, which was established following an Arts Council England initiative which provided endowment match funding to donations received by the Hallé.

The Trustees have adopted the total return approach to investment under the powers granted in Section 4 of the Trusts (Capital and Income) Act 2013. A resolution to adopt the total return approach for the Main fund was made by the Trustees on 8 February 2018 effective from 1 January 2017. The Catalyst Fund will remain under current rules as it is an Arts Council based fund and subject to different arrangements from the Main Fund.

The power of total return permits the Trustees to invest permanently endowed funds to maximise total return and to apply an appropriate portion of the unapplied total return to income each year. The Trustees' decision was taken in order to enable increased flexibility in the financial support provided by the Endowment to the Hallé Concerts Society.

The Hallé Endowment Trust has a year-end of 31 December and is consolidated into the 31 March 2020 Group financial statements based on financial statements as at 31 December 2019. Due to the significant fall in investment values of £0.9m during the quarter to March 2020 as a result of Covid-19, the Trustees have taken the decision to adjust the Endowment Trust results for the year to 31 December 2019 to reflect this fall in value and thereby provide a more accurate presentation of the value of the Group assets as at 31 March 2020.

The results of the Endowment Trust that are included in the consolidated results are as follows: During the year the Main fund of the Hallé Endowment Trust received donations and legacies of £10k and generated investment returns of £130k investment income and £144k investment loss (2018: £12k income and £274k loss) and £200k was granted to the Society (2018: £200k). In addition the Catalyst Endowment fund received donations and legacies of £47k and

TRUSTEES' REPORT

generated investment returns of £93k investment income and £191k investment loss (2018: £89k income and £171k loss) and £83k was donated to the Society (2018: £78k). The capital of the Main fund stood at £3.8 million at 31 March 2020, (2018: £4.0 million) and the Catalyst fund stood at £2.2 million (2018: £2.4 million). More information regarding the investment performance is provided in the Investment Policy section below.

The **Hallé 2058 Foundation** funds are treated as restricted funds for the purposes of the Statement of Financial Activities and are overseen by the Board of the Society. The fund includes monies raised by the Hallé Appeal and supplements the core funding of the Society by striving to support the following: the Society's artistic and educational programmes and initiatives such as the Hallé's Youth and outreach activities including, inter alia, the Hallé Youth Orchestra, Hallé Youth and Children's Choirs and the Hallé Assistant Conductor programmes together with any new initiatives and developments in this area. Net income in 2019/20 was £73k, increasing the fund balance to £959k.

SIGNIFICANT CHANGES IN FIXED ASSETS

Significant changes in fixed assets are detailed in note 12 of the financial statements. Fixed assets are held either for direct charitable purposes or to provide additional revenue for charitable purposes though event and catering income, as with the multi-use spaces at Hallé St Peter's. The major movement in fixed assets in year is the capitalisation of £3.8 million costs associated with the St Peter's capital project incurred in 2019/20.

INVESTMENT POLICY & PERFORMANCE

An Investment sub-committee reviews the investment strategy and performance of the Society and its related entities. The management of the group's investment portfolios is vested in Schroder & Co Ltd. and the following investment policies and strategic asset allocations have been adopted by the Trustees of the individual trusts. Schroders have discretion to act within certain benchmark ranges.

The vast majority of investments are held by the Hallé Endowment Trust, within the Main Endowment Fund and the Catalyst Endowment Fund. In March 2017 the Investment Committee agreed a move to a total return approach to the investment objective after taking advice from Schroders Investment Managers. With a total investment approach the investment strategy focus is on maximising the total investment return rather than maximising investment income. This is a separate but linked decision to the adoption of total return accounting for the Main Endowment Fund, which enables the Trustees to distribute investment gains as well as income.

The target return of the investment strategy is CPI +4% for all funds other than the Catalyst Fund. The investment objective for the Catalyst Fund is to provide income at +4% per annum and maintain the real value of the portfolio above inflation, reflecting the greater emphasis on distributable income because the total return accounting approach has not been adopted for the Catalyst Fund.

The long term strategic asset allocation parameters and benchmarks for the portfolio for all funds during the year were as follows, although the actual allocations within the ranges may differ for each individual portfolio depending on the specific requirements.

	Range	Benchmark
Bonds	0%-30%	25% FTSE Brit Gov't Fixed All Stocks Index 25% BOFA ML £ Non-Gilts Index
Equities (UK & International)	50%-80%	FTSE All Share Index FTSE World ex UK
Property and alternatives	0%-30%	IPD Monthly Property Index
Cash	0%-20%	UK Interbank 7 day

There are no restrictions on the Trustees' power to invest and the Trustees have not adopted an ethical investment policy in order that their flexibility to invest is not restricted.

The investment performance for the year to 31 December 2019 (the year-end for the Hallé Endowment Trust) demonstrated a significant recovery from the losses experienced in the previous financial year, with an investment gain of £510k compared to investment losses of £438k in the year to 31 December 2018. This followed a rallying of stock markets generally in 2019 producing an overall return in the year to 31 December 2019 of 12.7% compared to the target return of CPI+4% which was 5.35% for 2019.

As a result of the Covid-19 pandemic however, there has been a significant downturn in the stock market and ongoing volatility. The reduction in investment value between the Hallé Endowment Trust year-end of 31 December 2019 and the Group consolidated year-end of 31 March 2020 was £880k. As explained above the Endowment investments are included in these consolidated accounts at their lower 31 March 2020.

In terms of further commentary on overall performance it is difficult to assess meaningfully at this stage as markets remain volatile. However, by the end of June 2020 there had been a significant recovery in the value of investments held by the Hallé.

The priority for the Trustees remains the longer term performance of the investments to provide support for the Society in the future. The Trustees are confident that the investment policy provides a good basis to achieve the investment objective over the medium and longer term and to secure this outcome.

FUNDRAISING PRACTICES

The majority of the Hallé's fundraising is targeted at charitable trusts, companies and individuals who already have a relationship with the Orchestra, such as regular audience members. There is very little fundraising from the wider general public. The Society's fundraising strategy is overseen by its Trustees and all its fundraising activity is conducted in line with the Fundraising Regulator Code of Fundraising Practice. The implementation of our fundraising strategy is mainly delivered by an in-house fundraising team with support from a professional fundraiser on bids to charitable trusts and foundations. This person does not carry out fundraising with the general public.

The Hallé is pleased to confirm that it has received no complaints in relation to its fundraising activity over the course of the 2019/20 year.

PAY POLICY FOR SENIOR STAFF

The Trustees consider the key management personnel to comprise the Trustees and the Chief Executive. All Trustees give of their time freely and no Trustee received remuneration in the year. The Board is responsible for setting the salary of the Chief Executive and delegates the setting and annual review of the Chief Executive's salary to the Nominations and Remuneration Committee. The Chief Executive's salary is normally increased in line with other management and administration salaries within the Society.

RESERVES

The Trustees reviewed and approved the reserves policy in July 2020. The policy is stated below:-

In accordance with the Charities Statement of Recommended Practice (SORP) FRS 102 the Hallé Concerts Society has taken into account the risks facing the Charity in order to formulate an appropriate reserves policy. The major financial risk is perceived to be the pressure on public sector funding with the consequential reliance on other, more volatile, income streams and the defined benefit pension liability.

The Society aims to maintain expendable reserves at a level which will enable the Society to provide for contingencies, withstand periods of poor trading conditions or, in extreme circumstances, to manage a fundamental restructure of the Orchestra's activities. On this basis the

TRUSTEES' REPORT

Trustees have set a target for expendable reserves of approximately £2,000k.

For the purposes of this policy the Trustees define expendable reserves to be the General Fund and those restricted reserves where the funds are given to support activities which fall within the Society's core purpose.

The level of expendable reserves at 31 March 2020 is £2,674k. The Trustees consider their expendable reserves 31 March 2020 to comprise the General funds of the Group with a deficit of £318k, plus the reserves of the Hallé 2058 Foundation of £959k, plus the Monument and Oglesby revenue reserves of £2,033k.

The Trustees consider the level of reserves to be in line with the underlying target of £2,000k. The Monument and Oglesby reserves hold the balance (£2,033k) of the £2,500k raised in respect of the overall St Peter's revenue fundraising target of £2,500k, to support activities in Hallé St Peter's. £250k was transferred to unrestricted funds in 2019/20 to support orchestra activity, £100k was invested in projects such as the Choral Leadership Network and £100k for expenditure on the St Peter's capital scheme.

It is acknowledged that the expendable reserves include restricted reserves which have been given for specific purposes to support developmental activity and their disposition is overseen by the Board.

As reported in previous years, the recognition of the defined benefit scheme pension liability under FRS 102 clearly has a major impact on the reported unrestricted reserves of the Group and the Society. This liability is updated annually to reflect market conditions and other actuarial assumptions. The liability at 31 March 2020 was calculated as £9,516k (2019: £10,712k). Although this is significant, it does not mean that an immediate liability for this amount crystallises.

The most recent actuarial valuation was carried out as at 31 March 2017 and as a result the Society has agreed a recovery plan with the pension fund Trustees to pay off the shortfall. The plan requires the Society to make payments over 22 years of £450,000 per annum increasing at 3% per annum, plus administration costs of £100,000 per annum. The next valuation will be as at 31 March 2020 and is underway.

PLANS FOR FUTURE PERIODS

The Trustees' key area of focus continues to be the long-term financial sustainability of the Society. This has always been a challenge and is exacerbated by the impact and uncertainty arising from the current pandemic.

As described in detail in the going concern note on page 26 we have a reasonable expectation of continuing in business beyond the next 12 months and we are prepared for a significant effort over the next 12 months to restart activity in the Bridgewater Hall and other venues, bringing back audiences and participants in a safe and sustainable way to enjoy and benefit from all the Hallé has to offer.

This process will be led by our new Chief Executive, David Butcher who takes up his appointment on 1st September, supported by our experienced senior management team and committed Board of Trustees.

During this period we will continue to work closely with our public sector partners including ACE, GMCA and Manchester City Council and ASM Global who operate our main venue at the Bridgewater Hall.

As we approach the triennial valuation of the pension deficit in 2020 we will continue to work closely with the Trustees of the defined benefit pension scheme to manage the challenges posed by the scheme in the interests of pensioners and the Society.

Against the backdrop of the financial impact of Covid-19 the Trustees will continue to work towards a balanced financial position and, with careful budget management, to rebuild and maintain a reasonable level of reserves that will allow the Hallé to plan for a sustainable future.

Once activity is able to resume we have a full programme of concerts planned at the Bridgewater Hall, together with touring engagements in the UK. Major audience development initiatives are continuing with the aim of diversifying and extending our reach. We will continue to develop our use of new digital media to develop deeper engagement with our current supporters and give wider access to our activities.

We plan to use our recently extended Hallé St Peter's facility to its full potential, making the most of the opportunities provided by the vastly improved facilities to expand our audiences and community work, whilst providing excellent and cost effective alternative rehearsal space.

Our Hallé CONNECT activities will benefit particularly from the new facilities at St Peter's. We will continue to work closely with Greater Manchester's music services and with individual schools and community groups to reach children, young people and disadvantaged groups across the region. The Hallé is a strategic partner in the GM Music Hub and a delivery partner in the Manchester My Hub. In addition, we will continue to develop the Hallé youth and children's ensembles and the work of the Hallé Choir described in more detail in the Chief Executive's review of the year and expand the reach and impact of the recently launched Choral Leadership Network.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees consider the major risks facing the Society are:

- Uncertainty created by the Covid-19 epidemic (see going concern note), including the impact on audiences and the wider economy;
- Continued pressure on public funding – particularly with the impact of Covid-19;
- An inability to maintain artistic momentum;
- The threat of reduced income from box office, engagements and donors, and;
- Underfunding of the Hallé Concerts Society Retirement Benefit Scheme, which was closed to future benefit accrual in July 2006.

As reported earlier in this report, in order to mitigate the effects of these, there is a robust risk management framework in place, overseen by the Audit Committee and approved by the Board with ongoing monitoring of management actions and changes in the Society's risk profile.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES OF THE HALLÉ CONCERTS SOCIETY IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they are required to prepare the Group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and charitable company and of the Group's excess of income over expenditure for that period. In preparing each of the Group and Charitable Company financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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
- assess the Group's and the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Charitable Company or to cease operations, or have no realistic alternative but to do so.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DISCLOSURE OF INFORMATION TO INDEPENDENT AUDITOR

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

In accordance with Section 485 of the Companies Act 2006, a resolution for the reappointment of Crowe U.K. LLP as auditor of the Charitable Company will be proposed at the Annual General Meeting, together with a resolution empowering the Trustees to fix their remuneration.

By Order of the Board



David McKeith
Chairman and Trustee
17 August 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HALLÉ CONCERTS SOCIETY



OPINION

We have audited the financial statements of Hallé Concerts Society for the year ended 31 March 2020 which comprise the Consolidated and Aggregated Income and Expenditure Account, the Consolidated and Aggregated Statement of Financial Activities, the Charitable Company Statement of Financial Activities, the Consolidated and Aggregated and Charitable Company Balance Sheets, the Consolidated and Aggregated Cash Flow Statement 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 group's and the charitable company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure 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.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable 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 Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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 our audit

- the information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

We have nothing to report in these respects.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report or the] directors' report included within the Trustees' 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:

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement set out on page 18, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HALLÉ CONCERTS SOCIETY

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 the Trustees 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 Trustees are responsible for assessing the group's or the charitable 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S 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 auditor's 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 auditor's report.

USE OF OUR REPORT

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Vicky Szulist
(Senior Statutory Auditor)
for and on behalf of Crowe U.K. LLP, Statutory Auditor
The Lexicon
Mount Street
Manchester M2 5NT

20th August 2020

CONSOLIDATED AND AGGREGATED SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

		Before exceptional items 2020 £'000	Exceptional items (note 3b(ii)) 2020 £'000	Total 2020 £'000	Total 2019 £'000
	Note				
Gross income from charitable operations		7,837	2,604	10,441	11,421
Orchestra Tax Credit		1,044	-	1,044	990
Total income from continuing operations		8,881	2,604	11,485	12,411
Total expenditure for continuing operations		(9,652)	-	(9,652)	(10,002)
(Deficit)/surplus on ordinary activities for the year before transfers and asset disposals		(771)	2,604	1,833	2,409
Net(loss)/income after interest and charges, before transfers		(771)	2,604	1,833	2,409
Transfer from endowment funds	19	200	-	200	201
Net (loss)/income for the year		(571)	2,604	2,033	2,610
Dealt with by:					
The Society		(407)	2,604	2,197	2,462
Subsidiary company and related trusts		(164)	-	(164)	148
		(571)	2,604	2,033	2,610

- Total income comprises £8,586k for unrestricted funds and £2,899k for restricted funds (2019: £8,757k and £3,654k respectively). A detailed analysis of income and expenditure is provided in the Statement of Financial Activities on page 22.
- Income and expenditure totals are shown after eliminating intra-group transactions.
- A detailed analysis of expenditure is provided in the Statement of Financial Activities and notes 8 and 9.
- Exceptional items are analysed and explained in note 3b(ii).
- The Group had no recognised gains or losses other than the surplus in both the current and preceding years and the movements in other recognised gains and losses as shown in the Statement of Financial Activities.
- In both the current and preceding years the surplus calculated on an historical cost basis is not materially different from the reported results as above.
- The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 22 which, together with the notes to the accounts on pages 26 to 48, provides full information on the movements during the year on all funds of the Group.
- During the year, the Group has neither discontinued any of its operations nor acquired any new ones.

The notes on pages 26 to 48 form part of these financial statements.

CONSOLIDATED AND AGGREGATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2020

	Note	Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Endowment Funds 2020 £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:						
Donations and legacies	5	3,867	2,786	57	6,710	7,461
<i>Income from charitable activities:</i>						
Orchestral activity and education	6	2,917	-	-	2,917	3,326
<i>Income from other trading activities:</i>						
Activities for generating funds	7	736	-	-	736	638
Income from investments		23	113	130	266	272
<i>Other incoming resources:</i>						
Orchestra Tax Credit		1,044	-	-	1,044	990
Total income and endowments		8,587	2,899	187	11,673	12,687
Expenditure						
<i>Expenditure on raising funds:</i>						
Costs of activities for raising funds	8	396	-	-	396	383
Investment management expenses		-	12	16	28	27
<i>Expenditure on charitable activities:</i>						
Orchestral activity and education	9	8,209	660	16	8,885	8,770
<i>Other expenditure:</i>						
Retirement Benefit Scheme costs	22	375	-	-	375	854
Total expenditure		8,980	672	32	9,684	10,034
Net (expenditure)/income and net movement in funds before losses on investments		(393)	2,227	155	1,989	2,653
Net losses on investments	13	(10)	(33)	(335)	(378)	(438)
Net (expenditure)/income before transfers		(403)	2,194	(180)	1,611	2,215
Transfers between funds	19	487	(287)	(200)	-	-
Net incoming resources before other recognised gains and losses		84	1,907	(380)	1,611	2,215
Other recognised gains and losses						
Actuarial gain on defined benefit pension scheme	22	1,007	-	-	1,007	511
Net movement in funds		1,091	1,907	(380)	2,618	2,726
Reconciliation of funds						
Total funds brought forward at 1 April		(10,925)	10,110	6,470	5,655	2,929
Total funds carried forward at 31 March	18	(9,834)	12,017	6,090	8,273	5,655

All incoming and outgoing resources derive from continuing operations. The Group has no gains and losses other than those recognised in this Statement of Financial Activities.

The accompanying notes on pages 26 to 48 form part of these financial statements.

Total investment income amounted to £266k (2019: £272k) of which £23k (2019: £23k) was unrestricted, £113k restricted (2019: £109k) and £130k (2019: £140k) accounted for within the Endowment Fund.

CHARITABLE COMPANY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2020

	Note	Unrestricted Funds 2020 £'000	Restricted funds 2020 £'000	Endowment Funds 2020 £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:						
Donations and legacies	5	4,320	2,786	-	7,106	7,458
<i>Income from charitable activities:</i>						
Orchestral activity and education	6	2,917	-	-	2,917	3,326
<i>Income from other trading activities:</i>						
Activities for generating funds	7	713	-	-	713	617
Income from investments		23	18	-	41	42
<i>Other incoming resources:</i>						
Orchestra Tax Credit		1,044	-	-	1,044	990
Total income		9,017	2,804	-	11,821	12,433
Expenditure						
<i>Expenditure on raising funds:</i>						
Costs of activities for generating funds	8	383	-	-	383	374
Investment management expenses		-	2	-	2	2
<i>Expenditure on charitable activities:</i>						
Orchestral activity and education	9	8,205	657	-	8,862	8,750
<i>Other expenditure:</i>						
Retirement benefit scheme costs	22	375	-	-	375	854
Total expenditure		8,963	659	-	9,622	9,980
Net income and net movement in funds before gains and losses on investments		54	2,145	-	2,199	2,453
Net (losses)/gains on investments	13	(10)	(33)	-	(43)	9
Net incoming resources before other recognised gains and losses		44	2,112	-	2,156	2,462
Transfers		204	(204)	-	-	-
Other recognised gains and losses						
Actuarial gain on defined benefit pension scheme	22	1,007	-	-	1,007	511
Net movement in funds		1,255	1,908	-	3,163	2,973
Reconciliation of funds						
Total funds brought forward at 1 April		(11,114)	10,111	42	(961)	(3,934)
Total funds carried forward at 31 March	18	(9,859)	12,019	42	2,202	(961)

All incoming and outgoing resources derive from continuing operations. The charitable company has no gains and losses other than those recognised in this Statement of Financial Activities.

The accompanying notes on pages 26 to 48 form part of these financial statements.

Total investment income amounted to £41k (2019: £42k) of which £23k (2019: £23k) was unrestricted and £18k restricted (2019: £19k).

CONSOLIDATED AND AGGREGATED AND CHARITABLE COMPANY BALANCE SHEETS AT 31 MARCH 2020

	Note	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Fixed assets					
Tangible assets	12	7,881	4,176	7,529	3,808
Investments	13	5,730	6,208	454	549
		13,611	10,384	7,983	4,357
Current assets					
Debtors	14	2,228	2,981	2,518	3,231
Cash at bank and in hand		3,804	4,327	3,056	3,516
		6,032	7,308	5,574	6,747
Liabilities:					
Creditors: amounts falling due within one year	15	(1,854)	(1,325)	(1,839)	(1,353)
Net current assets		4,178	5,983	3,735	5,394
Total assets less liabilities excluding pension liability		17,789	16,367	11,718	9,751
Pension liability	22	(9,516)	(10,712)	(9,516)	(10,712)
Total assets less liabilities including pension liability		8,273	5,655	2,202	(961)
Capital funds					
Endowments		6,090	6,470	42	42
Income funds					
Restricted funds		12,017	10,110	12,019	10,111
Unrestricted funds:					
Other charitable funds		(318)	(213)	(343)	(402)
Pension reserve		(9,516)	(10,712)	(9,516)	(10,712)
		(9,834)	(10,925)	(9,859)	(11,114)
Total Funds/(deficit)	18	8,273	5,655	2,202	(961)

The notes on pages 26 to 48 form part of these financial statements.

These financial statements were approved by the Board of Trustees and signed on its behalf on 17 August 2020 by



David McKeith
Chairman



Tim Edge
Chairman of Audit Committee

CONSOLIDATED AND AGGREGATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Cash inflow from operating activities

Cash flows from investing activities:

Interest and dividends

Interest received

Interest paid

Dividends received

Net cash inflow from investing activities

Capital expenditure and financial investment

Payments to acquire tangible fixed assets

Receipts from sales of tangible fixed assets

Receipts from sales of fixed asset investments

Net cash outflow from capital expenditure and financial investment

Reconciliation of net cash flows to movement in net funds

(Decrease)/increase in cash and cash equivalents in the year

Cash and cash equivalents at 1 April

Total cash and cash equivalents at 31 March

2020 £'000		2019 £'000
3,001		1,962
26		21
(2)		(1)
241		250
265		270
(3,909)		(2,182)
20		-
100		21
(3,789)		(2,161)
(523)		71
4,327		4,256
3,804		4,327

Notes to the group cash flow statement:

Reconciliation of net movement in funds to net cash flow from operating activities

Net incoming resources (as per the SOFA)

Depreciation charge

Decrease in stocks

Decrease/(increase) in debtors

Increase in creditors

(Decrease)/increase in pension fund liability

Losses on investments

Interest received

Interest paid

Investment income

Net cash inflow from operating activities

1,611		2,215
184		116
-		3
753		(1,131)
529		287
(189)		304
378		438
(26)		(21)
2		1
(241)		(250)
3,001		1,962

Analysis of net debt

Cash at hand and in bank

At 1 April 2019 £'000	Cash flow	At 31 March 2020 £'000
4,327	(523)	3,804
4,327	(523)	3,804

The notes on pages 26 to 48 form part of these financial statements.

NOTES TO THE ACCOUNTS

(forming part of the financial statements)

1 STATUS OF CHARITABLE COMPANY AND LIABILITY OF MEMBERS

The Hallé Concerts Society is a registered charity and a company limited by guarantee, incorporated in the UK. The registered office is: The Bridgewater Hall, Manchester M1 5HA.

Each member undertakes to contribute to the assets of the Society in the event of the Society being wound-up during the time he is a member, or within one year of ceasing to be a member. In the case of Subscribing Members this sum shall not exceed £5, but in the case of Permanent Members such sum shall not exceed the amount which the Board determined and agreed with the member when he or she became a member of the Society.

2 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

a) BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards, 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 1 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. The accounts are prepared under the historical cost accounting convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to the accounts.

The Society meets the definition of a public benefit entity under FRS 102.

The Society is considered to be a qualifying entity under FRS 102 and has taken advantage of the reduced disclosure framework of FRS 102 in respect of certain disclosures for the Company. No separate Company cash flow statement is included.

b) PREPARATION OF ACCOUNTS ON A GOING CONCERN BASIS

The Trustees have adopted the going concern basis in preparing these accounts after assessing the principal risks and the impact of a range of scenarios arising from Covid-19.

There are multiple uncertainties in attempting to forecast the impact of Covid-19; the major factors for the Hallé being: the duration of the ban on mass gatherings in an indoor environment, the view taken by our host venues on re-opening (particularly in respect of our residency at the Bridgewater Hall), the extent of government support for the sector and the ability/willingness of our audiences to return.

The Trustees have considered the impact of Covid-19 on the Hallé for the next 18 months and the longer term. Although the evolving situation makes scenario planning very difficult, we modelled a number of scenarios based on different opening dates through from September 2020 to April 2021. In all cases income expectations against normal levels were reduced for up to a year after re-opening to reflect the potential longer term impact on audience numbers and fundraising. From our overall assessment we consider that restarting our main concert activities in April 2021 is a severe but plausible scenario. This assumes no income from ticket sales, out of town engagements or events at Hallé St Peter's for a full financial year from 1 April 2020.

The other major assumptions in this scenario are:

- The continuation of support towards salary costs through the Coronavirus Job Retention Scheme, until the end of October 2020
- Savings on Hall fees from our main venue at Bridgewater Hall during any period of closure (under force majeure)
- Arts Council and local authority support at current grant levels
- Pension scheme deficit payment remains at current level
- Temporary reductions in pay across all staff groups furloughed and non- furloughed
- Orchestra Tax Relief not available because no qualifying concerts performed
- A reduction of more than 30% in our fundraising/sponsorship income

Under this scenario the expendable reserves will be significantly depleted but will remain in surplus until November 2021. There is also sufficient liquidity to operate beyond March 2022 due to the additional head room of an agreed £500k overdraft facility under the CBILS scheme.

The Trustees have also based their going concern assessment on the availability of management actions which would be taken to mitigate the financial impact of such a scenario, if for example there was no indication of further government support beyond October 2020. These include extending the period of the salary reduction and utilising restricted reserves.

Taking the above factors into account, the Trustees believe that the Charity is reasonably well placed to manage the operational and financial risks of Covid-19 satisfactorily, and have a reasonable expectation that the Charity will have adequate resources to continue in operation for at least 12 months from the signing date of these consolidated financial statements. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

NOTES TO THE ACCOUNTS

(forming part of the financial statements)

c) BASIS OF CONSOLIDATION AND AGGREGATION

The statement of financial activities (SOFA) and balance sheet of the Company include the Sickness and Benevolent Fund (a charity linked by a Charity Commission Uniting Direction).

The income and expenditure account, SOFA and balance sheet of the Group consolidate the financial statements of the charity and the results of the charity's subsidiaries, with the exception that movements in endowment funds are not aggregated in the income and expenditure account in accordance with the SORP.

All subsidiaries are consolidated and aggregated based on financial statements as at 31 March except the Hallé Endowment Trust, which has a year end of 31 December and the Charles Hallé Foundation which has a year end of 5 April. The Hallé Endowment Trust and Charles Hallé Foundation have been aggregated based on their financial statements as at 31 December 2019 and 5 April 2020 respectively. However due to the fall in investment values in the quarter to March 2020 the Trustees have decided that the investments within the Hallé Endowment Trust should be adjusted to their value at 31 March 2020.

The Society has taken advantage of section 408 of the Companies Act 2006 in not presenting its own income and expenditure account.

d) INCOME

Income from box office admissions, engagement fees and education workshops is included in incoming resources in the period in which the relevant performance takes place. Income relating to performances which take place after the year end is deferred.

Grants receivable from funders for general purposes are taken to the statement of financial activities in the year to which they relate.

All other income is recognised when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution, the grant of probate where known or the legacy being received. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Gifts in kind are included in income when they are receivable. Gifts of shares are held at market value but not recognised as a realised gain until all restrictions on disposal have been met.

Income from the permanent endowment is unrestricted.

Orchestra tax relief is recognised in the period to which it relates.

e) TAXATION

The Society is a registered charity and by virtue of its trading activities being in fulfilment of the objects of the Charitable Company, the Charitable Company is exempt from corporation tax on all charitable activities. The charge for taxation on the subsidiary company's non-charitable activities is based on the profit for the year.

f) EXPENDITURE

All expenditure is accounted for on an accruals basis, inclusive of irrecoverable VAT.

The costs of raising funds represents the costs of securing sponsorship and donations for the funds for the Society. Resources expended which form part of the Group's trading activities are separately disclosed in fundraising trading.

The cost of activities in furtherance of the Group's charitable objectives include costs directly incurred in undertaking those activities. Costs for future performances are deferred until the period in which the relevant performance takes place. Where costs cannot be directly attributed to particular categories they are apportioned on a basis consistent with the average consumption of resources as set out in the notes.

Governance costs represent the costs associated with the governance arrangements of the Group which relate to the strategic management of the Group as opposed to those costs associated with fundraising or charitable activity. They include the costs of external audit, legal and professional advice for Trustees and the costs of constitutional and statutory compliance.

Support costs relating to a single activity are allocated directly to that activity. Where support costs relate to several activities they have been apportioned on a basis consistent with the average consumption of resources as set out in note 10.

g) IRRECOVERABLE VAT

Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

NOTES TO THE ACCOUNTS

(forming part of the financial statements)

h) FUNDS

Unrestricted funds are those funds available for use at the discretion of the Trustees in the furtherance of the general objectives of the charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The purpose of each restricted fund is set out in note 18.

Within the Hallé Group there are two permanent endowment funds which are held within the Hallé Endowment Trust: the Main Endowment Fund and the Catalyst Endowment Fund.

The principal activity of the Hallé Endowment Trust is to maintain a capital endowment fund and to apply the annual income of that fund in perpetuity towards the education of the general public in the study, appreciation and practice of music and the allied arts by furthering and supporting the objects and work of the Hallé Concerts Society. As at 1 January 2017 the Trustees adopted the total return approach to investment accounting for the Main Endowment Fund, under the powers granted in Section 4 of the Trusts (Capital and Income) Act 2013. This allows any increase in the value of an investment to be treated as income. The Catalyst Endowment Fund is held as a segregated fund within the fund of the Hallé Endowment Trust under the terms of a Trust deed dated 29 October 2012 between the Hallé Concerts Society and the Arts Council of England.

Transfers between funds represent grants made by subsidiaries from restricted and endowment funds to the Society to support its activities in accordance with the terms of the subsidiary's trust deeds.

i) TANGIBLE FIXED ASSETS

Assets with a purchase cost of less than £500 are not capitalised. All assets are held at cost except for certain musical instruments which were revalued.

Depreciation is provided so as to write off tangible fixed assets over their expected useful lives in equal instalments, as follows:

Fixtures and Fittings - Three to ten years

Motor Vehicles – Five years

Music Library – Five years

Musical Instruments – Ten to twenty-five years

Leasehold property – Twenty-five years

The musical instrument held by the Hallé Endowment Trust is re-valued at market value by the Trustees periodically based on the Trustees' review of recent sales values of similar instruments.

The leasehold of Hallé St Peter's was acquired from the Homes and Communities Agency for a period of 999 years at a peppercorn rent. The terms of the lease place restrictions on the use of the building and its disposition and therefore no value is placed on the leasehold itself.

j) INVESTMENTS

Investments are included at fair value, measured at bid value. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year. In relation to the Hallé Endowment Trust, the Trustees adopted a total return approach to the permanent endowment with effect from 1 January 2017. The return on investments determines the ability of the Endowment Trust to make grants to the Society.

Investments in subsidiary undertakings are valued at cost.

k) STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow-moving items.

l) PENSION COSTS

The Charitable Company's defined benefit pension scheme was closed to future accrual in July 2006. For that scheme, current and past service costs and the interest cost and expected return on assets are charged to resources expended, and are allocated to appropriate expenditure categories. Actuarial gains and losses are recognised immediately in 'other recognised gains and losses'.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the group, in a separate Trustee administered fund. The scheme's assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

The Society also operates a defined contribution pension scheme (Group Personal Pension Plan) for which the amount charged to the Statement of Financial Activities in respect of pension costs is the contributions payable in the year. Differences between contributions payable and contributions actually paid in the year are shown as either other creditors or prepayments in the balance sheet.

NOTES TO THE ACCOUNTS

(forming part of the financial statements)

m) EXCEPTIONAL ITEMS

In order to provide further clarity to the users of the financial statements, a columnar format is used within the Consolidated Income and Expenditure statement to record exceptional items. These are items that, in the opinion of the Trustees, should be presented separately due to their size or qualitative materiality in order to give a better understanding of the recurring operational performance of the Group.

n) ACCOUNTING ESTIMATES AND JUDGEMENTS

Key sources of estimation uncertainty:

In the application of the Group's accounting policies, which are described above, the Trustees are required to make judgements, estimates and assumptions concerning the future. The resulting estimates will, by definition, seldom equal the related actual results. The estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are detailed below:

o) DEFINED BENEFIT SCHEME

The Company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including: life expectancy, salary increases, asset valuations and the discount rate of corporate bonds.

Management estimates these factors in determining the net pension liability in the balance sheet. The assumptions reflect historical experience and current trends.

See note 22 for the disclosures relating to the defined benefit pension scheme. There are no critical accounting judgements.

3 MOVEMENT IN FUNDS

i) The net movement in funds is stated after charging:

	2020 £'000	2019 £'000
Auditor remuneration - audit: - Group (including Society)	20	20
- Society alone	15	15
other services relating to taxation for the Group and the Society	1	-
Depreciation	184	116

ii) The net movement in funds includes the following items which have been identified by the Trustees as exceptional:

	2020 £'000	2019 £'000
Gross income from charitable operations	2,604	2,389
Total expenditure from continuing operations	-	(388)
Total exceptional items	2,604	2,001

Gross income includes £2,532k of Arts Council Capital Grant funding and £72k of capital donations in respect of the St Peter's Phase 2 capital scheme. In total the Arts Council are providing funding of £4,800k. As part of the Arts Council Funding agreement the Hallé is required to raise £1,400k of which £72k has been received in 2019/20 (2018/19: £323k). The ACE grant funding and capital donations are held in the restricted Fixed Asset reserve, providing the funding for the Phase 2 building project and against which the depreciation on St Peter's Phase 2 has been charged from the construction completion date in November 2019. The income is categorised as exceptional because it has been received in connection with a capital appeal and is outside of the usual operational activities of the Hallé.

£nil (2019: £388k) in respect of the provision for equalising Guaranteed Minimum Pensions (GMPs) which was made in 2018/19. This was categorised as exceptional due to the one –off nature of the provision.

4 SUBSIDIARY COMPANY

The Hallé Concerts Society owns the whole of the issued ordinary share capital of Hallé Promotions Limited, a company registered in England. The company undertook no transactions during the year.

NOTES TO THE ACCOUNTS

(forming part of the financial statements)

5 DONATIONS AND LEGACIES

Group

Grants receivable

Revenue grants receivable:

Arts Council England	2,084	-	-	2,084
Greater Manchester Combined Authority	749	-	-	749
Coronavirus Job Retention Scheme	80	-	-	80
Manchester City Council	337	-	-	337

Total revenue grants receivable

Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Endowment Funds 2020 £'000	Total 2020 £'000
2,084	-	-	2,084
749	-	-	749
80	-	-	80
337	-	-	337
3,250	-	-	3,250

Other grants receivable:

Arts Council capital grant

-	2,532	-	2,532
---	-------	---	-------

Total grants receivable

-	2,532	-	2,532
---	-------	---	-------

Donations and similar income

Fundraising donations	462	254	57	773
Membership subscriptions	30	-	-	30
Legacies and bequests	125	-	-	125

Total donations and similar income

462	254	57	773
30	-	-	30
125	-	-	125
617	254	57	928

Total donations and legacies

3,867	2,786	57	6,710
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Company

Grants receivable

Revenue grants receivable:

Arts Council England	2,084	-	-	2,084
Greater Manchester Combined Authority	749	-	-	749
Coronavirus Job Retention Scheme	80	-	-	80
Manchester City Council	337	-	-	337

Total revenue grants receivable

Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Endowment Funds 2020 £'000	Total 2020 £'000
2,084	-	-	2,084
749	-	-	749
80	-	-	80
337	-	-	337
3,250	-	-	3,250

Other grants receivable:

Arts Council capital grant

-	2,532	-	2,532
---	-------	---	-------

Total grants receivable

-	2,532	-	2,532
---	-------	---	-------

Donations and similar income

Fundraising donations	916	254	-	1,170
Membership subscriptions	30	-	-	30
Legacies and bequests	124	-	-	124

Total donations and similar income

916	254	-	1,170
30	-	-	30
124	-	-	124
1,070	254	-	1,324

Total donations and legacies

4,320	2,786	-	7,106
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(forming part of the financial statements)

Company	Funds 2019 £'000	Funds 2019 £'000	Funds 2019 £'000	2019 £'000
Grants receivable				
Revenue grants receivable:				
Arts Council England	2,084	-	-	2,084
Greater Manchester Combined Authority	749	-	-	749
Manchester City Council	337	-	-	337
Total revenue grants receivable	3,170	-	-	3,170
Other grants receivable:				
Arts Council capital grant	-	2,066	-	2,066
Total grants receivable	3,170	2,066	-	5,236
Donations and similar income				
Fundraising donations	519	1,510	-	2,029
Membership subscriptions	20	-	-	20
Legacies and bequests	173	-	-	173
Total donations and similar income	712	1,510	-	2,222
Total donations and legacies	3,882	3,576	-	7,458

NOTES TO THE ACCOUNTS

(forming part of the financial statements)

6 INCOME FROM CHARITABLE ACTIVITIES

Orchestral concerts and related work

Box office income (Manchester promotions)

Engagement income

Broadcasts, recordings and other income

Education and outreach

Hallé St Peter's & St Michael's

Group and Company 2020 £'000		Group and Company 2019 £'000
1,552		1,738
1,072		1,241
111		151
2,735		3,130
132		172
50		24
2,917		3,326

Income from charitable trading activities was all unrestricted as in the previous year.

7 INCOME FROM OTHER TRADING ACTIVITIES

Sponsorship and other income

Corporate sponsorship

Fundraising events

Other income

Total activities for generating funds

Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
470	422	470	422
23	21	-	-
243	195	243	195
736	638	713	617

Income from other trading activities was all unrestricted as in the previous year.

8 EXPENDITURE ON RAISING FUNDS

Fundraising salary & administration costs

Allocated support costs

Allocated governance costs

Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
360	302	347	294
36	73	36	73
-	8	-	7
396	383	383	374

Expenditure on raising funds was all unrestricted as in the previous year.

NOTES TO THE ACCOUNTS

(forming part of the financial statements)

9 COSTS OF CHARITABLE ACTIVITY

Group

Orchestral concerts and related work

Orchestra, related staff and other costs
 Conductors and soloists
 Travel and subsistence
 Hall hire
 Sundry concert costs
 Music and instrument hire
 Recording costs
 Marketing & Communications
 Box office charges
 Programme costs
 Depreciation
 Support costs

Education and outreach

Direct Education costs
 Choir, Youth Orchestra, Youth Choir & Children's Choir
 Support costs

Hallé St Peter's & St Michael's Costs

Operational costs
 St Peter's Phase 2 expenditure

Payments to beneficiaries

Total charitable expenditure

Company charitable expenditure is analysed overleaf.

Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Endowment Funds 2020 £'000	Total 2020 £'000
4,347	-	-	4,347
627	225	-	852
173	-	-	173
709	-	-	709
147	-	-	147
80	-	-	80
56	36	-	92
439	-	-	439
154	-	-	154
52	-	-	52
23	145	16	184
660	3	-	663
7,467	409	16	7,892
208	72	-	280
307	111	-	418
37	-	-	37
552	183	-	735
190	-	-	190
-	13	-	13
190	13	-	203
-	55	-	55
8,209	660	16	8,885

NOTES TO THE ACCOUNTS

(forming part of the financial statements)

Group

Orchestral concerts and related work

Orchestra, related staff and other costs
 Conductors and soloists
 Augmenting extra players
 Hall hire
 Sundry concert costs
 Music and instrument hire
 Recording costs
 Marketing & Communications
 Box office charges
 Programme costs
 Depreciation
 Support costs
 Governance costs

Education and outreach

Direct Education costs
 Choir, Youth Orchestra, Youth Choir, & Children's Choir
 Support costs
 Governance costs

Hallé St Peter's & St Michael's Costs

Operational costs
 St Peter's Phase 2 expenditure

Payments to beneficiaries

Total charitable expenditure

Unrestricted Funds 2019 £'000	Restricted Funds 2019 £'000	Endowment Funds 2019 £'000	Total 2019 £'000
4,173	57	-	4,230
628	226	-	854
212	-	-	212
769	-	-	769
113	-	-	113
79	-	-	79
63	31	-	94
469	-	-	469
161	-	-	161
52	-	-	52
17	84	16	117
497	-	-	497
55	5	-	60
7,506	403	16	7,925
101	137	-	238
249	98	-	347
66	-	-	66
8	-	-	8
424	235	-	659
62	19	-	81
-	105	-	105
62	124	-	186
-	-	-	-
7,992	762	16	8,770

NOTES TO THE ACCOUNTS

(forming part of the financial statements)

Company

Orchestral concerts and related work

Orchestra, related staff and other costs
 Conductors and soloists
 Travel and subsistence
 Hall hire
 Sundry concert costs
 Music and instrument hire
 Recording costs
 Marketing & Communications
 Box office charges
 Programme costs
 Depreciation
 Support costs

Education and outreach

Direct Education costs
 Choir, Youth Orchestra, Youth Choir, & Children's Choir
 Support costs

Hallé St Peter's & St Michael's Costs

Operational costs
 St Peter's Phase 2 expenditure

Payments to beneficiaries

Total charitable expenditure

Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Endowment Funds 2020 £'000	Total 2020 £'000
4,347	-	-	4,347
627	224	-	851
173	-	-	173
709	-	-	709
148	-	-	148
79	-	-	79
56	36	-	92
439	-	-	439
154	-	-	154
52	-	-	52
23	145	-	168
656	1	-	657
7,463	406	-	7,869
208	73	-	281
307	110	-	417
36	-	-	36
551	183	-	734
190	-	-	190
-	13	-	13
190	13	-	203
-	55	-	55
8,204	657	-	8,861

NOTES TO THE ACCOUNTS

(forming part of the financial statements)

Company

Orchestral concerts and related work

Orchestra, related staff and other costs
 Conductors and soloists
 Augmenting extra players
 Travel and subsistence
 Hall hire
 Sundry concert costs
 Music and instrument hire
 Recording costs
 Marketing & Communications
 Box office charges
 Programme costs
 Depreciation
 Support costs
 Governance costs

Unrestricted Funds 2019 £'000	Restricted Funds 2019 £'000	Endowment Funds 2019 £'000	Total 2019 £'000
4,173	57	-	4,230
628	227	-	855
212	-	-	212
218	-	-	218
769	-	-	769
113	-	-	113
79	-	-	79
63	31	-	94
469	-	-	469
161	-	-	161
52	-	-	52
17	83	-	100
495	-	-	495
56	2	-	58
7,505	400	-	7,905
101	137	-	238
249	98	-	347
66	-	-	66
8	-	-	8
424	235	-	659
62	19	-	81
-	105	-	105
62	124	-	186
7,991	759	-	8,750

Education and outreach

Direct Education costs
 Choir, Youth Orchestra, Youth Choir, & Children's Choir
 Support costs
 Governance costs

Hallé St Peter's & St Michael's Costs

Operational costs
 St Peter's Phase 2 feasibility costs

Total charitable expenditure

NOTES TO THE ACCOUNTS

(forming part of the financial statements)

10 ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

Group

Management and Finance
Sundry office & operational costs
Professional and consultancy fees

Orchestral work 2020 £'000	Education 2020 £'000	Fundraising 2020 £'000	Total 2020 £'000
399	22	22	443
218	12	12	242
46	3	3	52
663	37	37	737

Company

Management and Finance
Office and sundry operational costs
Professional and consultancy fees

Orchestral work 2020 £'000	Education 2020 £'000	Fundraising 2020 £'000	Total 2020 £'000
399	21	21	441
218	12	12	242
40	3	3	46
657	36	36	729

Support costs are apportioned on a percentage basis reflecting the time spent working to support each area of activity. In 2020 Governance costs have not been separated out, they are included within Management and Finance costs prior to allocation as support costs.

Group

Management and Finance
Sundry office & operational costs
Professional and consultancy fees

Orchestral work 2019 £'000	Education 2019 £'000	Fundraising 2019 £'000	Governance 2019 £'000	Total 2019 £'000
264	35	35	18	352
233	31	31	16	311
-	-	7	42	49
497	66	73	76	712

Company

Management and Finance
Office and sundry operational costs
Professional and consultancy fees

Orchestral work 2019 £'000	Education 2019 £'000	Fundraising 2019 £'000	Governance 2019 £'000	Total 2019 £'000
264	35	35	18	352
231	31	31	16	309
-	-	7	39	46
495	66	73	73	707

Support costs are apportioned on a percentage basis reflecting the time spent working to support each area of activity.

NOTES TO THE ACCOUNTS

(forming part of the financial statements)

11 a) STAFF NUMBERS AND COSTS

The average number of staff employed during the year, analysed by category, was as follows:

Orchestral musicians
Administrative and other non-playing personnel

Group and Company 2020 Number		Group and Company 2019 Number
74		74
46		44
120		118

The aggregate payroll costs of these persons were as follows:

Salaries and fees
Employers' National Insurance contributions
Employers' Group Personal Pension Plan pension contributions

Group and Company 2020 £'000		Group and Company 2019 £'000
3,579		3,542
345		337
424		401
4,348		4,280

11 b) REMUNERATION OF TRUSTEES AND EMPLOYEES

The Trustees consider the Key Management Personnel to comprise the Trustees and the Chief Executive. The Trustees receive no remuneration nor reimbursement of expenses and derive no financial benefit from their services to the Society. Employee benefits amounting to £101k (2019: £101k) were received by Key Management Personnel in 2019/20. The Chief Executive's pay is reviewed each year and normally raised in line with other management salaries.

The number of employees whose emoluments (salaries and benefits in kind) amounted to more than £60,000 during the year was as follows:

£60,001-£70,000
£90,001-£100,000

2020 Number		2019 Number
1		1
1		1

The employers' contribution to the Hallé Group Personal Pension Plan for the above employees was £17k (2019: £17k).

NOTES TO THE ACCOUNTS

(forming part of the financial statements)

12 TANGIBLE FIXED ASSETS

Group

Cost or valuation

	Leasehold Property £'000	Music Library £'000	Musical Instruments £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	Total £'000
At 1 April 2019	3,775	95	1,076	513	137	5,596
Additions	3,751	-	29	47	81	3,908
Disposals	-	-	-	-	(42)	(42)
Revaluations	-	-	(81)	-	-	(81)

At 31 March 2020

7,526	95	1,024	560	176	9,381
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Depreciation

At 1 April 2019	290	95	560	340	135	1,420
Charge for the year	112	-	31	36	5	184
Disposals	-	-	-	-	(23)	(23)
Revaluations	-	-	(81)	-	-	(81)

At 31 March 2020

402	95	510	376	117	1,500
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Net book value

At 31 March 2020

7,124	-	514	184	59	7,881
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At 31 March 2019

3,485	-	516	173	2	4,176
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Company

Cost or valuation

At 1 April 2019	3,775	95	598	513	137	5,118
Additions	3,751	-	29	47	81	3,908
Disposals	-	-	-	-	(42)	(42)

At 31 March 2020

7,526	95	627	560	176	8,984
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Depreciation

At 1 April 2019	290	95	450	340	135	1,310
Disposals	-	-	-	-	(23)	(23)
Charge for the year	112	-	15	36	5	168

At 31 March 2020

402	95	465	376	117	1,455
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Net book value

At 31 March 2020

7,124	-	162	184	59	7,529
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At 31 March 2019

3,485	-	148	173	2	3,808
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CAPITAL COMMITMENT

At 31 March 2020 the Society had capital commitments of £nil (2019: £2,565k).

REVALUATIONS

The Music Library and Musical Instruments held by the Society itself were re-valued on an open market basis at 31 March 1998 to £30k and £179k respectively. In accordance with Charities SORP FRS 102 and with the transitional provisions of FRS 102, these valuations have not been updated as this is considered to be the deemed cost. Under the historical cost convention accounting rules the net book value of the Music Library and Musical Instruments at 31 March 2020 would have been £nil and £47k respectively. Further information regarding the revaluation of the Society's fixed assets is not available.

The musical instrument held by the Hallé Endowment Trust was revalued to £400k as at 1 January 2017. The revaluation was undertaken by reference to the Coutts index by the Hallé senior management team. Under the historical cost convention accounting rules, the net book value of the instrument at 31 December 2019 would have been £20,400 in the Endowment Trust's books.

All tangible fixed assets are used for direct charitable purposes.

NOTES TO THE ACCOUNTS

(forming part of the financial statements)

13 INVESTMENTS

Fair value at 1 April 2019
Net disposals
Change in market value

Fair value at 31 March 2020

Group £'000		Company £'000
6,208		549
(100)		(52)
(378)		(43)
5,730		454

The following table shows the valuation and allocation of assets at 31 March 2020. The majority of holdings are in common investment funds.

Quoted investments:
UK equities
International equities
UK bonds
International bonds
Alternatives
Other
Property

£'000	%	£'000	%
1,103	19.3	84	18.5
2,533	44.3	201	44.4
506	8.8	28	6.2
265	4.6	21	4.6
		-	-
753	13.1	71	15.7
570	9.9	49	10.6
5,730	100	454	100

Shares in Group companies

At cost
Provision for impairment

Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
1	1	1	1
(1)	(1)	(1)	(1)
-	-	-	-

Quoted investments:

At fair value

6,618	6,208	454	549
6,618	6,208	454	549

All investments are held at fair value, except for shares in group companies. Investments in UK equities (and bonds) are traded on quoted public markets primarily the London Stock Exchange. Holdings in common investment funds and Unit Trusts are at bid price. The basis of fair value for quoted investments is equivalent to market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The Society holds the following investments in Group companies registered in England. The investments represent 100% of the issued ordinary share capital of the following company:

100 £1 ordinary shares in Hallé Promotions Limited, a company engaged in publicity and advertising which was dormant throughout the year.

In addition to the aforementioned subsidiary, the following trusts are aggregated on the basis that they are considered to be subsidiaries of the Society: Hallé Endowment Trust and Charles Hallé Foundation; the Hallé Concerts Society Sickness and Benevolent Fund is linked under a Charity Commission Uniting Direction and therefore included within the Company figures.

The aggregate of the share capital and reserves/funds as at 31 March 2020 and of the income or expenditure for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves/ funds £000	Income/ (expenditure) £000
Hallé Endowment Trust (charity number:286145)	6,048	(380)
Charles Hallé Foundation (charity number:236149)	21	(164)
Hallé Promotions Limited (company number:02592501)	5	-
	6,074	(544)

NOTES TO THE ACCOUNTS

(forming part of the financial statements)

14 DEBTORS

Trade debtors
Amounts owed by connected charities
Amounts owed by group charities
Other debtors
Prepayments and accrued income

Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
623	619	623	619
14	9	14	9
-	-	386	562
85	442	78	433
1,506	1,911	1,417	1,608
2,228	2,981	2,518	3,231

All debtors fall due within one year.

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors
Amounts owed to group charities
Taxation and social security
Other creditors
Deferred income
Accruals

Note	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
	365	433	365	433
	-	-	-	51
	98	101	98	101
	51	46	51	37
16	648	287	644	287
	692	458	681	444
	1,854	1,325	1,839	1,353

16 DEFERRED INCOME

As at 1 April 2019
Amount released to incoming resources
Amount deferred in the year

Group £'000	Company £'000
287	287
(287)	(287)
648	644
648	644

As at 31 March 2020

Deferred income is income received from box office ticket sales and concert engagement fees relating to concerts which will take place after the year end. Refunds have been offered to customers for cancelled concerts due to Covid-19.

17 FINANCIAL INSTRUMENTS

Financial assets measured at amortised cost
Financial assets measured at fair value
Financial liabilities measured at amortised cost

2020 £'000	2019 £'000
6,032	7,308
5,730	6,208
(1,854)	(1,325)

Group financial assets measured at amortised cost are cash, trade debtors, other debtors, prepayments and accrued income. Impairment losses charged to financial assets measured at amortised cost in the year amounted to £nil (2019: £nil).

Group financial assets measured at fair value are the investments.

Group financial liabilities measured at amortised cost are trade creditors, other creditors and accruals.

NOTES TO THE ACCOUNTS

(forming part of the financial statements)

18 ANALYSIS OF TOTAL FUNDS

Group

Unrestricted reserves

General funds
Pension reserve

Total unrestricted funds

Restricted funds

Fixed asset reserves
St Peter's capital fund
St Peter's capital fund - Phase 2
ACE capital funding – Phase 2
Monument artistic
Monument St Peter's revenue
Oglesby St Peter's revenue
Oglesby revenue challenge
St Peter's artistic fund
Education and outreach
Hallé 2058 Foundation
Sickness & Benevolent fund
Charles Hallé Restricted Funds
Hallé Endowment Trust

Total restricted funds

Endowment Funds

HET Endowment fund
HET Catalyst Endowment fund
HCS Endowment fund

Total endowment funds

Total funds

At 31 March 2019	Income	Expenditure	Actuarial & Investment Gains/ (losses)	Transfers	At 31 March 2020
£'000	£'000	£'000	£'000	£'000	£'000
(213)	8,587	(9,169)	(10)	487	(318)
(10,712)	-	189	1,007	-	(9,516)
(10,925)	8,587	(8,980)	997	487	(9,834)
60	-	(7)	-	-	53
993	-	(71)	-	-	922
1,238	72	(80)	-	205	1,435
2,066	2,532	-	-	-	4,598
1,877	-	(326)	-	46	1,597
1,500	-	-	-	(250)	1,250
500	-	-	-	-	500
488	-	-	-	(205)	283
100	-	-	-	-	100
6	74	(80)	-	-	-
886	74	(1)	-	-	959
397	14	(57)	(33)	-	321
-	38	(38)	-	-	-
-	95	(12)	-	(83)	-
10,111	2,899	(672)	(33)	(287)	12,017
4,024	140	(32)	(144)	(200)	3,788
2,404	47	-	(191)	-	2,260
42	-	-	-	-	42
6,470	187	(32)	(335)	(200)	6,090
5,655	11,673	(9,684)	629	-	8,273

NOTES TO THE ACCOUNTS

(forming part of the financial statements)

Company	At 31 March 2019	Income	Expenditure	Actuarial & Investment Gains/ (losses)	Transfers	At 31 March 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted reserves						
General funds	(402)	9,017	(9,152)	(10)	204	(343)
Pension reserve	(10,712)	-	189	1,007	-	(9,516)
Total unrestricted funds	(11,114)	9,017	(8,963)	997	204	(9,859)
Restricted funds						
Fixed asset reserves	60	-	(7)	-	-	53
St Peter's capital fund	993	-	(71)	-	-	923
St Peter's capital fund – Phase 2	1,238	72	(80)	-	205	1,435
ACE capital funding – Phase 2	2,066	2,532	-	-	-	4,598
Monument artistic	1,877	-	(326)	-	46	1,597
Monument St Peter's revenue	1,500	-	-	-	(250)	1,250
Oglesby St Peter's revenue	500	-	-	-	-	500
Oglesby revenue challenge	488	-	-	-	(205)	283
St Peter's artistic fund	100	-	-	-	-	100
Education & outreach	6	112	(118)	-	-	-
Other restricted funds	-	-	-	-	-	-
Hallé 2058 Foundation	886	74	-	-	-	960
Sickness & Benevolent Fund	397	14	(57)	(33)	-	320
Total restricted funds	10,111	2,804	(659)	(33)	(204)	12,019
Endowment Funds						
HCS Endowment fund	42	-	-	-	-	42
Total Endowment funds	42	-	-	-	-	42
Total funds	(961)	11,821	(9,622)	964	-	2,202

RESTRICTED FUNDS

All restricted funds are used in line with the original restrictions imposed by the donors.

- The fixed asset reserves represent monies provided for capital expenditure which in accordance with applicable accounting standards will be reduced over the useful lives of the assets in line with their depreciation.
- The St Peter's Capital Funds and "ACE capital funding – Phase 2" represent monies received to support both the original conversion of St Peter's, Ancoats into a rehearsal centre and the Phase 2 extension completed in November 2019. In accordance with applicable accounting standards these reserves will be reduced over the useful lives of the assets in line with their depreciation.
- The Monument funds represent funding received for revenue support for Hallé St Peter's Phase Two and to support the artistic programme.
- The Oglesby funds represents challenge funding from the Oglesby Trust pledged to match other funding raised, together with funding raised from supporters to match the Trust's gift to support activity at Hallé St Peter's.
- The St Peter's Artistic fund represents a restricted donation for the purposes of enhancing the environment at St Peter's.
- The Hallé 2058 Foundation Funds represents monies received in support of the fundraising effort for the Hallé's 150th birthday combined with the funds raised by the earlier Hallé Public Appeal. The funds are administered by an independent panel of Custodians and support was given to a number of education and outreach initiatives during the year.
- The Sickness and Benevolent Fund and Hallé Endowment Trust funds represents donations and investments held for the restricted distributable purposes of those trusts.
- The Education and outreach funds represent funds received in support of specific educational and outreach projects.
- The Other restricted funds relate to funding received from the Homes and Communities Agency in support of the Hallé's residency in St Michaels and other project specific funding.
- The Charles Hallé Foundation restricted funds represent funds received from a variety of donors for specific educational and outreach projects including monies given by the Homes and Communities Agency to support activity in St Michael's. Those funds are disclosed in the accounts of the Charles Hallé Foundation.

ENDOWMENT FUNDS

Endowments amounting to £42k (2019: £42k) represent the amounts received from members under Article 10 of the Articles of Association.

Funds held in the Hallé Endowment Trust are in respect of public donations received. All endowment funds are in respect of permanent endowments. The Catalyst Endowment Fund was originally an Arts Council initiative matching £ for £ donations raised up to a maximum of £1,000k, achieved in May 2015. All funds raised for the Catalyst Fund are invested in a separately designated fund within the Hallé Endowment Trust.

NOTES TO THE ACCOUNTS

(forming part of the financial statements)

19 TRANSFERS BETWEEN FUNDS

Group

Transfers between funds

HET donation to Society funds
HET Catalyst donation to Society funds
HET Endowment to Restricted
HCS restricted to HCS unrestricted

Total transfers between funds

Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Endowment Funds 2020 £'000	Total 2020 £'000
200	(200)	-	-
83	(83)	-	-
-	200	(200)	-
204	(204)	-	-
487	(287)	(200)	-

20 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Balances at 31 March 2020 represented by:

Tangible assets
Investments
Current assets
Current liabilities
Pension liability

Total net assets

Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Endowment Funds 2020 £'000	Total 2020 £'000
351	7,178	352	7,881
98	356	6,165	6,619
1,078	4,484	470	6,032
(1,845)	(1)	(9)	(1,855)
(9,516)	-	-	(9,516)
(9,834)	12,017	6,978	9,161

Balances at 31 March 2019 represented by:

Tangible assets
Investments
Current assets
Current liabilities
Pension liability

Total net assets

Unrestricted Funds 2019 £'000	Restricted Funds 2019 £'000	Endowment Funds 2019 £'000	Total 2019 £'000
79	3,730	367	4,176
108	440	5,660	6,208
678	5,940	690	7,308
(1,078)	-	(247)	(1,325)
(10,712)	-	-	(10,712)
(10,925)	10,110	6,470	5,655

In respect of the Hallé Endowment Trust, the Charles Hallé Foundation and the Hallé Concerts Society Sickness and Benevolent Fund, there are adequate funds available to fulfil the obligations of the trusts.

Also included within other restricted funds are reserves in respect of fixed assets as disclosed in note 18. Current assets in endowment funds include £639k held in cash (2019: £564k). Current liabilities in endowment funds represent amounts due to Hallé Concerts Society in respect of donations approved, not paid over at the year end.

21 STATEMENT OF CHANGES IN RESOURCES AVAILABLE FOR CHARITABLE GROUP'S USE

Net movement in funds for the year
Net (increase)/decrease in tangible fixed assets for direct charitable purposes

Net movement in funds available for future activities

Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Endowment Funds 2020 £'000	Total 2020 £'000
1,091	1,907	509	3,507
(73)	73	-	-
1,018	1,980	509	3,507

Net movement in funds for the year
Net (increase)/decrease in tangible fixed assets for direct charitable purposes

Net movement in funds available for future activities

Unrestricted Funds 2019 £'000	Restricted Funds 2019 £'000	Endowment Funds 2019 £'000	Total 2019 £'000
318	2,811	(403)	2,726
(59)	(2,023)	16	(2,066)
259	788	(387)	660

NOTES TO THE ACCOUNTS

(forming part of the financial statements)

22 PENSIONS

DEFINED CONTRIBUTION PENSION SCHEME

Since 1 April 2014 the Hallé Concerts Society auto enrols all eligible employees into a contributory Group Personal Pension Plan (GPPP) with Royal London. Prior to this, a contributory Stakeholder Scheme was offered to all permanent employees with Standard Life. Employees joining the GPPP contract directly with Royal London. All contributions are charged to the income and expenditure account as they arise. Contributions are made under a salary sacrifice arrangement. The pension cost charge for the current year was £424k (2019: £401k).

DEFINED BENEFIT PENSION SCHEME

The Society's defined benefit pension scheme (the Hallé Concerts Society Retirement Benefits Scheme) which provided benefits based on final pensionable salary, was closed to future accrual of benefits from 1 July 2006. The assets of the Scheme are held separately from those of the Society in a Trustee-administered fund. The full triennial actuarial valuation at 31 March 2017 showed a deficit of £12,600k on the Trustees' funding basis.

To make good the deficit the Trustees agreed a revised plan with the Society after the 2017 valuation to pay off the deficit by 30 April 2040. This requires the Society to make payments of £450k per annum over 22 years and 1 month from 1 April 2018 increasing at 3% per annum, plus administration costs of £100k per annum.

The 31 March 2019 defined benefit obligation included a loading to reflect the estimated additional liability arising in respect of the requirement to equalise Guaranteed Minimum Pensions (GMPs) in the Scheme following the October 2018 High Court ruling in respect of the Lloyds pensions schemes. The Income and Expenditure charge below included the past service cost of recognising this additional liability as an exceptional item in the Income and Expenditure Account (see page 21 and note 3b(ii)).

The Society contributed £564k to the Scheme in the 2019/20 financial year including administration expenses paid.

The 2017 actuarial valuation is updated each year on an approximate basis by a qualified independent actuary as shown below. The following information relates to the Group and the Company.

Change in benefit obligation

	2020 £'000	2019 £'000
Benefit obligation at start of year	26,300	26,200
Current service cost company only, including administration expenses	112	166
Interest cost	648	724
Actuarial gains	(1,153)	(349)
Benefits paid	(795)	(663)
Administration expenses paid	(112)	(166)
Past service costs and curtailments	-	388
Benefit obligation at end of year	25,000	26,300
Change in scheme assets		
Fair value of scheme assets at start of year	15,588	15,281
Expected return on scheme assets	385	424
Actuarial (losses)/gains	(146)	162
Employer contributions	564	550
Administration expenses paid	(112)	(166)
Benefits paid	(795)	(663)
Fair value of scheme assets at end of year	15,484	15,588
Funded status	(9,516)	(10,712)

NOTES TO THE ACCOUNTS

(forming part of the financial statements)

Components of pension cost

Amounts recognised in resources expended

Past service costs and curtailments

Administration expenses paid

Net interest cost (on defined benefit liability)

Total pension cost recognised within other expenditure

Re-measurements recognised in other gains/(losses)

Actuarial (losses)/gains on the assets

Actuarial gains on the liabilities

Total gain recognised in other recognised gains and losses

2020 £'000		2019 £'000
-		388
112		166
263		300
375		854
(146)		162
1,153		349
1,007		511

All pension costs for the current and preceding year are recognised in unrestricted funds.

Scheme assets

The major categories of Scheme assets, measured at fair value are:

Asset category

Equities/Diversified growth

Corporate bonds and property

Government bonds

Cash and net current assets

2020 £000		2019 £000
6,169		5,311
6,566		7,758
2,247		1,813
502		706
15,484		15,588

The expected return on assets:

Actual return on scheme assets (£'000)

2020		2019
2.20%		2.50%
239		586

The major weighted average assumptions used by the Actuary to determine benefit obligations were:

Discount rate

Rate of increase in salaries

Rate of increase of pensions in payment for members retiring on or after 1/8/1993 inflation linked up to 5%

Rate of increase of pensions in payment for members retiring before 1/8/1993 3% fixed

Rate of inflation (RPI)

Rate of inflation (CPI)

2.20%		2.50%
N/A		N/A
2.85%		3.25%
3.00%		3.00%
2.90%		3.45%
2.00%		2.55%

Weighted average life expectancy for mortality tables used to determine benefit obligations at 31 March

Mortality table pre- and post-retirement

Pre-retirement

Life expectancy at 65 of male member currently aged 45

Life expectancy at 65 of a female member currently aged 45

Post-retirement

Life expectancy of male member currently aged 65

Life expectancy of a female member currently aged 65

Allowance for early retirements

Allowance for members to commute pension for tax free cash

2020 90% S2PA YOB CMI 2017 1.25%	2019 S2PA YOB – 1year CMI 2014 1.25%
24	24
26	26
22	23
24	25
No	No
Maximum allowed at 80% of value commuted	Maximum allowed at 80% of value commuted

NOTES TO THE ACCOUNTS

(forming part of the financial statements)

23 RELATED PARTY TRANSACTIONS

The Charitable Company has relied on the exemption in FRS 102 (s33.1A), which does not require the disclosure of transactions between wholly-owned subsidiaries which are consolidated.

The Society has a connected charity: the Terence Judd Trust. This Trust made contributions to the Society of £4k (2019:£3k) for administration costs during the current year and owed £13.5k (2019: £9k) to the Society at the year end.

The contact address of the connected charity is the Bridgewater Hall, Manchester.

None of the Trustees receive remuneration or other benefit from their work with the Hallé.

During the year and post the year end, Cllr. Azra Ali, Eamonn Boylan and Cllr Janet Emsley were either employees or elected representatives of local authorities which are major funders of the Hallé and with which the Hallé has worked in partnership on Education and Participation projects.

24 TOTAL RETURN INVESTMENT – MAIN ENDOWMENT

With effect from 1 January 2017, the Trustees adopted the total return approach to investment for the Main fund, under the powers granted in Section 4 of the Trusts (Capital and Income) Act 2013. A resolution to adopt the total return approach for the Main fund was made by the Trustees on 8 February 2018 effective from 1 January 2017. The Catalyst Fund will remain under current rules as it is an Arts Council based fund and subject to different arrangements from the Main fund.

The Trustees identified the value of the gifts of permanent endowment received since 1983 up until 1 January 2017. This set the baseline value of the gift component of the endowment to which any subsequent gifts of endowment are added. This is now referred to as the "original endowment" and forms the initial "Investment Fund". The difference between the total of endowment funds as at 1 January 2017 and the value of the gift component represents the opening balance of unapplied total return UTR).

The power of total return permits the Trustees to invest permanently endowed funds to maximise total return and to apply an appropriate portion of the unapplied total return to income each year. Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains invested as part of the permanent endowment.

The power allows the Trustees to decide in each year how much of the unapplied total return is transferred to income funds and so available for expenditure as grants to the Society. In 2019 having considered their obligations under the duty of even-handedness, the Trustees made a transfer of £200k unapplied total return to unrestricted income funds. In making this decision the Trustees have taken account of the return on investment for the year, the sustainability of the investment fund after considering various levels of transfer to income and the income needs of the charity.

Under the regulations (Section 4 of the Trusts (Capital and Income) Act 2013) charities have the power to add part of the Unapplied Total Return (UTR) to the Investment Fund. The amount that can be added annually is capped and is calculated by reference to the increase in inflation and the value of the Investment Fund. The purpose of such a transfer is to maintain the real value of the Investment Fund. The Trustees have agreed that they will consider on an annual basis whether to make such a transfer and that the appropriate inflation index to use is CPI. For 2019 the Trustees have agreed the maximum transfer allowed which is calculated using CPI for 2018 and 2019 and indexing the Investment Fund value at 31 December 2017, when the index adjustment was last made. The transfer to the Investment Fund is £73k.

As noted in the accounting policies, the Endowment Trust has a year end of 31 December 2019 and is aggregated on this basis. However an adjustment to the investment value has been made to reflect the significant fall in investment values as a result of Covid-19 in the quarter to 31 March 2020. The adjustment for the Main Endowment is a reduction of £489k leading to a loss of £144k in the period to 31 March 2020.

With in-year donations to the Endowment of £11k the balance of the Investment Fund at 31 March 2020 is £2,584k, of which £232k is the net book value of the Amati violin.

NOTES TO THE ACCOUNTS

(forming part of the financial statements)

THE INVESTMENT FUND AND APPLICATION OF TOTAL RETURN TO PERMANENT ENDOWMENT FUNDS

	Trust for investment £'000	Unapplied Total Return £'000	Total Endowment £'000
Opening value of endowment:			
Gift component of permanent endowment (incl. £120k instrument)	2,268	-	2,268
Unapplied total return	-	1,507	1,507
Total	2,268	1,507	3,775
Revaluation reserve - Instrument	248	-	248
Total Endowment 1/1/2019	2,516	1,507	4,023
Movement in unapplied total return and endowment in the year:			
Gifts received	11	-	11
Investment return: dividends and interest	-	130	130
Investment return: recognised and unrecognised gain/(losses)	-	(144)	(144)
Investment management costs	-	(16)	(16)
Allocations of Unallocated Total Return (UTR) in the year:-			
Unapplied total return allocated to income	-	(200)	(200)
Unapplied total return allocated to Investment Fund	73	(73)	-
Net movement in the reporting period	84	(303)	(219)
Revaluation reserve - Instrument	(16)	-	(16)
Total Endowment movement in year	68	(303)	(235)
Gift component of permanent endowment			
Investment Fund	2,352	-	2,352
Unapplied total return	-	1,204	1,204
Total	2,352	1,204	3,556
Revaluation reserve - Instrument	232	-	232
Total Endowment 31/03/2020	2,584	1,204	3,788

25 OPERATING LEASE COMMITMENTS

At 31 March 2020 the total Group and Charity's future minimum lease payments under non-cancellable operating leases was:

	Group 2020 £'000	Group 2019 £'000s	Charity 2020 £'000s	Charity 2019 £'000s
Amounts due within one year	28	3	28	3
Amounts due between one and five years	99	6	99	6
Amounts due after five years	26	-	26	-
Total	153	9	153	9