

Unaudited Financial Statements

The Millennium Quarter Trust Limited

(A company limited by guarantee)

For the year ended 31 March 2020

Company information

Charity registration number: 1090859

Company registration number: 03962470

Registered office: P O Box 532
Town Hall Albert Square
Manchester
M60 2LA

Directors: John Williams
The Very Reverend Rogers Govender
Jane Elizabeth Sharrocks
Liam Mooney
Joan Elizabeth Davies

Secretary: Manchester Professional Services Limited

Bankers: Barclays Bank PLC
51 Mosley Street
Manchester
M2 3HQ

Solicitors: Pannone LLP
378-380 Deansgate
Manchester
M3 4LY

Independent Examiner: M Delf FCA
Grant Thornton UK LLP
Chartered Accountants
4 Hardman Square
Manchester
M3 3EB

Index to the financial statements

Report of the directors	3 – 8
Independent Examiners' Report	9 - 10
Principal accounting policies	11 – 13
Charitable company statement of financial activities	14
Charitable company balance sheet	15
Notes to the financial statements	16 – 18

Report of the directors

The Directors present their report together with the unaudited financial statements for the year ended 31 March 2020.

Reference and administrative details

The Millennium Quarter Trust Limited ('MQT') is a company limited by guarantee (company number 03962470) and does not have any share capital. The company is also a registered charity (charity number 1090859).

The current members of MQT are Manchester City Council (MCC) and the Deans and Canons of the Cathedral and Collegiate Church of Saint Mary, Saint Denys and Saint George.

The Board of the company comprises nominees of Manchester City Council, The Dean and Canons of Manchester Cathedral and a number of independent trustees who have been appointed for their expertise. The directors are its trustees for the purpose of charity law.

The charity is governed by its memorandum and articles of association last amended by a special resolution on 30 January 2002.

Directors

The Directors (who are also trustees of the charitable company for the purposes of charity law), who served during the year, and since the year end are as follows:-

John Williams (appointed 7 April 2003)
The Very Reverend Rogers Govender (appointed 27 June 2006)
Liam Mooney (appointed 10 October 2017)
Jane Elizabeth Sharrocks (appointed 4 September 2014)
Joan Elizabeth Davies (appointed 25 September 2018)

Report of the directors

Structure, Governance and Management

Organisation

The company is administered by the Board of directors. During the financial period the Board met on three occasions and its principal business has been:

- To receive regular reports on the operation of the Manchester Cathedral Visitor Centre.
- To receive regular reports on the National Football Museum at the Urbis building.
- To receive regular reports on the development of the Millennium Quarter.

Trustee Induction and Training

New trustees meet separately with both the Chairman and the Company Secretary. They are provided with an induction pack which includes the most recent minutes and Annual Report, together with a copy of the Memorandum and Articles of Association. They also attend a Board meeting before formally joining the Board.

Risk Management

The directors have implemented systems and procedures to identify and mitigate the major risks the company faces, and to ensure consistent quality of delivery for all operational aspects of the company.

Particular attention has focussed on the health and safety of the public and members of staff.

Objectives and Activities

The objects of the company are established as: -

1. For the general benefit of the public:
 - 1.1 To preserve buildings and conserve, maintain and protect land or other property of the aesthetic, historic, architectural, constructional, scientific interest or importance in the Manchester Millennium Quarter project area;
 - 1.2 With or without assistance from others the provision of facilities in the interests of social welfare for recreation and other leisure time occupation in the MQT project area and for the designated surrounding areas with the object of improving the conditions of life for such persons having need of such facilities by reason of their age, gender, youth, infirmity, disablement, poverty and social or economic circumstances; and
 - 1.3 The advancement, improvement, promotion and development of the education of the public by promoting cultural activities including exhibitions, information services on themes relating to cities, lectures, demonstrations, performances of drama, music, opera and ballet, dance, film shows, poetry readings, painting and sculpture, literature and other arts.

Report of the directors

Objectives and Activities (Continued)

The main objective of MQT is to oversee the operation of Manchester's Millennium Quarter, which is a distinctive cultural area in the historic medieval sector of Manchester. The Millennium Quarter was created as part of the Master plan for rebuilding the city centre following the catastrophic damage sustained in the explosion of June 1996. It comprises four elements: Exchange Square - a hard landscaped civic space adjacent to the retail core; the Manchester Cathedral Visitor Centre which contains the renovated Hanging Bridge, an exhibition about the Cathedral, meeting rooms and a café; Cathedral Gardens - a new green public space with trees, water features and seating areas and Urbis which is situated in Cathedral Gardens (now the National Football Museum).

Manchester City Council is directly responsible for the ongoing maintenance of Exchange Square and Cathedral Gardens. The Cathedral is responsible for the operation of the Cathedral Visitor Centre and received deficit grant funding of £40,225 in 2019/20 from MQT towards operating costs (2018/19: £34,806).

Achievements, performance and the fulfilment of public benefit

Financial performance is summarised in the financial statements accompanying this report.

The National Football Museum continues to operate successfully within the Urbis building and provides regular updates to the Millennium Quarter Trust Board. The Chief Executive of the National Football Museum continues to review strategic and operational plans and is working closely with MQT, Manchester City Council and partners. In 2019/20, the National Football Museum achieved its first year of charging which allowed it to build up Reserves for the first time and invest in two new leadership roles: Director of Finance and Commercial and Head of Content. Because of COVID 19 the Museum closed to the public on March 17th 2020 and whilst furloughing the majority of its staff continued to operate National Football Museum On-line. In order to support Manchester's recovery it was the first museum to reopen in the city on July 23rd.

During the last year the Millennium Quarter Trust continued to receive reports from the Cathedral Visitors Centre (CVC) Board of Directors. CVC continues to review its business plan which focuses on developing financial sustainability. The management of the conferencing business reverted back to the CVC in early 2019 after previously being outsourced. Whilst the conferencing business continued beyond the year-end into early March 2020 the Covid-19 epidemic has severely impacted this business with little hope of this income stream returning in the short term. The CVC board is currently looking at options as to how to best generate future income. The high maintenance cost of the building, including the ongoing issues with leak from Cannon Court continues to impact heavily on cash-flow. CVC promotes the Hanging Bridge through tours and visits to the Cathedral and CVC. The Cathedral was successful with a bid for National Lottery Heritage Fund (NLHF) funding to carry out an options appraisal to explore the functionality of various internal and external physical interventions, including public realm, along with the potential impacts on the historic fabric of each option, planning acceptability and long-term project viability for both the Cathedral and CVC. An externally facilitated evaluation report commended the Cathedral's willingness to return to first principles and rethink the project, based on the analyses carried out in 2018. The revised concept scheme is now being worked on by the Cathedral's project board.

Report of the directors

Financial risk management objectives and policies

The principal financial instruments of the company are cash, operating debtors and operating creditors. The objective of the company in relation to these instruments is to ensure that none of them pose a material threat to the unrestricted reserves of the company.

All cash is held in Pounds Sterling with Barclays Bank plc.

The primary risk facing the company is the loss of support from Manchester City Council. Currently grants paid to the company amounts to 2019/20 74% (2018/19 : 71%) of the total income and therefore its loss could lead to the closure of the company. This risk has been mitigated by an undertaking of support (as detailed in the Principal Accounting Policies) given by Manchester City Council.

Funding

Any deficit of the Charitable Company is funded by Manchester City Council. The company is able to meet all outgoing items of expenditure and future plans and commitments. The company did not engage in any investment activity during the financial period.

Restricted funds

The company does not hold any restricted funds.

Reserves policy

The company has approved a reserves policy which has identified only a minimal need to accrue reserves for contingencies or investment opportunities. This policy takes account of the current scope of charitable activities as well as future arrangements with MCC. The reserves held at 31 March 2020 were £nil (2019: £nil).

Investment policy

The company has the power to invest the monies of the company not immediately required for its purposes in any investments, securities or property thought fit, subject to current law. The company did not make investments during the period covered by these accounts.

Going concern

After making enquiries, the Board has a reasonable expectation that the company has adequate resources to meet its debts as they fall due for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further information is given in the accounting policies (page 11). It should be noted that the company has secured a commitment of support from Manchester City Council to provide appropriate resources for a period at least 12 months from the date of approval of the financial statements.

Due to Covid-19 no conferences are currently being held at the Cathedral Visitor Centre and it is anticipated that there will be none for the remainder of 2020.

Due to the impact on cash flow it was necessary to apply for payment of the grant from Manchester City Council earlier than usual in the financial year.

Report of the directors

MQT will continue to monitor the effects of the Covid-19 pandemic and report to Board members accordingly.

Directors' responsibilities for the financial statements

The Trustees (who are also Directors of the Millennium Quarter Trust for the purposes of company law) 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 period. Under that law the trustees have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 charitable company and the company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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 company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The company, on behalf of the Directors, has Directors' indemnity insurance with a charge in the period of £1,253 in 2019/20; (2018/19: £1,439).

Small company exemption

This report has been prepared in accordance with the special provisions of Part 15 of Companies Act 2006 relating to small companies.

Independent Examination

The company is below the audit threshold for both the Companies and Charities Act requirements but requires an Independent Examination. The company has appointed M Delf FCA (of Grant Thornton UK LLP) to be the Independent Examiner. The accounts for the year ended 31 March 2020 have been given an Independent Examiners' Report by M Delf FCA.

Report of the directors

BY ORDER OF THE BOARD

John Williams

John Williams
For and on behalf of The Millennium Quarter Trust Limited
Director

1/10/2020

Independent examiner's report to the trustees of The Millennium Quarter Trust Limited

I report on the accounts of The Millennium Quarter Trust Limited for the year ended 31 March 2020, which are set out on pages 11 to 18.

This report is made solely to the charitable company's trustees, as a body, in accordance with the regulations made under section 154 of the Charities Act 2011. My work has been undertaken so that I might state to the charitable company's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for my work, for this report, or for the opinions I have formed.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the accounts. The charitable company's trustees consider that an audit is not required for this year (under section 144(2) of the Charities Act 2011 and Part 16 of the Companies Act 2006 and that an independent examination is needed).

Having satisfied myself that the charitable company is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the Charities Act 2011;
- to follow the procedures laid down the general Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a comparison of the accounts with the accounting records kept by the charitable company. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that in any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006;
 - to prepare accounts which accord with the accounting records;
to comply with the accounting requirements of the section 396 of the Companies Act 2006; and
 - to comply with the Statement of Recommended Practice 'Accounting and reporting by Charities: Statement of Recommended Practice applicable to charities preparing

The Millennium Quarter Trust Limited
Financial statements for the year ended 31 March 2020

10

their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2019)’

have not been met; or

- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



M Delf FCA
Grant Thornton UK LLP
Chartered Accountants
Manchester

Date 2/10/2020

Principal accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting & Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK & Republic of Ireland (FRS102) (effective 1 January 2019), Charities SORP (FRS102) and the Companies Act 2006. The charity is not required to prepare a cash flow statement, being a small entity under FRS102.

The Millennium Quarter Trust Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the accounting policy notes.

Basis of Accounting

The Financial Statements are prepared in accordance with the historical cost convention. The company's functional and presentational currency is the pound sterling ('GBP').

Going concern

The company made a Surplus of Nil during the year ended 31 March 2020 (a surplus of £Nil 2019).

The Charity will continue to focus on overseeing the operation of Manchester's Millennium Quarter, which besides Urbis comprises Exchange Square, the Manchester Cathedral Visitor Centre and Cathedral Gardens.

The charitable company has the continuing support of Manchester City Council for the foreseeable future in the pursuit of its' charitable objectives.

It should be noted that the company has secured a commitment of support from Manchester City Council to provide appropriate resources for a period at least 12 months from the date of approval of the financial statements.

Based on the above, the directors have concluded that it is appropriate to adopt the going concern basis of accounting in preparing these financial statements.

MQT will continue to monitor the effects of the Covid-19 pandemic and report to Board members accordingly.

Principal accounting policies (continued)

Incoming Resources

Voluntary income comprises all incoming resources from donations, gifts and grants.

Donations and gifts

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided that there are no donor imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. An equivalent amount is charged as expenditure. No income is recognised when there is no financial cost borne by a third party. Voluntary help is not included as income.

Grants receivable

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

Incoming resources from charitable activities

Incoming resources from charitable activities are accounted for when earned.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of resources. Central overhead costs are allocated to operational functions on the basis of their use of central support services.

Governance costs are the costs associated with the governance arrangements of the company which relate to the general running of the charity as opposed to those costs associated with charitable activities. Included within this category are costs associated with the strategic as opposed to day to day management of the company's activities.

Support costs, which include executive and development, finance, ICT, external accountancy, legal, marketing, general office and administration, are allocated across categories of charitable expenditure, governance costs and the costs of generating funds.

Fund accounting

Unrestricted funds are incoming resources received or generated for expenditure on the general objectives of the company at the discretion of the trustees. Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

Cash flow statement

The accounts do not include a cash flow statement because the company, as a small reporting company, is exempt from the requirement to prepare such a statement under FRS 102.1A.7 Cash Flow Statements.

Principal accounting policies (continued)

Grants Made

The charity gives grants with conditions for its payment; such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.

Independent Examination

The company is eligible for audit exemption under Section 477 of the Companies Act 2006.

The company is eligible for an independent examination and has been given an unqualified Independent Examiners Report by M Delf, FCA.

Significant adjustments and key areas of estimation uncertainty

The trustees consider there to be no items in the financial statements where they have had to make significant judgements in the process of applying the Charity's accounting policies or key sources of estimation uncertainty.

Charitable company statement of financial activities (Incorporating the Income and Expenditure account)

		Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
	Note				
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	1	15,000	-	15,000	15,000
Incoming resources from charitable activities					
Grants from Manchester City Council	2	42,898	-	42,898	37,565
Total incoming resources		57,898	-	57,898	52,565
RESOURCES EXPENDED					
Charitable activities					
Cultural activities and provision of facilities	3	40,225	-	40,225	34,806
Governance Costs	4	17,673	-	17,673	17,759
Total resources expended		57,898	-	57,898	52,565
Net incoming resources for the year/net income for the year	5	-	-	-	-
Balances brought forward at 1 April 2019		-	-	-	-
Balances carried forward at 31 March 2020	11	-	-	-	-

The comparative information is for the year ended 31 March 2019.

There were no other recognised gains or losses for the financial period, other than the result for the year.

All results are derived from continuing operations.

Company no 03962470

Charitable company balance sheet

	Note	2020 £	2019 £
Current assets			
Prepayments and Accrued Income	8	636	902
Cash at bank and in hand		8,708	10,615
		<u>9,344</u>	<u>11,517</u>
Creditors: amounts falling due within one year	9	<u>(9,344)</u>	<u>(11,517)</u>
Net current liabilities		-	-
Total net assets	10	<u>-</u>	<u>-</u>
Funds			
Unrestricted funds		-	-
Restricted funds		-	-
Total funds	11	<u>-</u>	<u>-</u>

The Trustees consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 1/10/2020

John Williams

John Williams

Director

The accompanying notes form part of these financial statements

Notes to the financial statements

1 Incoming resources from voluntary income

	2020 £	2019 £
Donated services	15,000	15,000
	<u>15,000</u>	<u>15,000</u>

Donated services comprises accountancy and company secretarial services provided by Manchester Professional Services Limited.

2 Income from Charitable Activities

Income, which is stated net of value added tax, represents grants from Manchester City Council.

3 Cost of cultural activities and provision of facilities

	2020 £	2019 £
Grant to the Cathedral Visitor Centre	40,225	34,806
	<u>40,225</u>	<u>34,806</u>

4 Governance costs

	2020 £	2019 £
Administration	12,000	12,000
Accountancy	3,000	3,000
Independent Examiners Fees	1,420	1,320
Insurance	1,253	1,439
	<u>17,673</u>	<u>17,759</u>

5 Net income/(expenditure) for the year

	2020 £	2019 £
This is stated after charging:		
Independent Examiners Fees – fees payable to the Independent Examiner in relation to the examination of the company's annual financial statements.	<u>1,420</u>	<u>1,320</u>

Notes to the financial statements

6 Directors' remuneration and staff costs

No remuneration has been paid to the company's directors. No expenses have been reimbursed by the company to the directors. There were no employees in the year (2019: none).

7 Taxation

As a charity, The Millennium Quarter Trust Limited is exempt from tax on income and gains to the extent that these are applied to its charitable objects.

8 Debtors

	2020 £	2019 £
Prepayments and accrued income	636	902
	<u>636</u>	<u>902</u>

9 Creditors: amounts falling due within one year

	2020 £	2019 £
Accounts Payable	26	26
Accruals	1,373	1,333
Deferred income (note 14)	7,945	10,158
	<u>9,344</u>	<u>11,517</u>

The deferred income due to Manchester City Council is secured by a fixed and floating charge over the charity's assets.

10 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Current assets	9,344	-	9,344
Current liabilities	<u>(9,344)</u>	<u>-</u>	<u>(9,344)</u>
Net assets at 31 March 2020	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the financial statements

11 Funds

	Unrestricted funds £	Restricted funds £	Total Funds £
At 1 April 2019	-	-	-
Incoming resources	57,898	-	57,898
Resources expended	(57,898)	-	(57,898)
At 31 March 2020	-	-	-

12 Guarantee

The company is limited by guarantee and has no authorised share capital.

Every member of the company undertakes to contribute such amount as may be required (not exceeding £1) to the company's assets if it should be wound up whilst they are members or within one year after they ceased to be a member, of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors themselves.

13 Indemnity insurance

The company, on behalf of the directors, has paid directors' indemnity insurance with a charge of £1,253 for the year (2019 £1,439).

14 Related party transactions

Members and officers of Manchester City Council (MCC) serve on the Board of Directors. The company's transactions with MCC are summarised as follows.

During the year, grants and donated services from Manchester City Council amounted to £42,898 (2019: £37,565).

At 31 March 2020 £7,945 (31 March 2019: £10,158) was due to MCC.

During the year, a grant of £40,225 (2019: £34,806) was made to Manchester Cathedral Visitors Centre.

Manchester Cathedral Visitors Centre is a related party as the Very Reverend Rogers Govender served on the Board of Directors.