

**The
Royal
Albert
Hall
Trust**

Annual Report and Accounts

31 December 2020

Charity Registration Number
285111

Contents

Reports

Reference and administrative information	1
Trustees' report	2
Independent auditor's report	8

Accounts

Statement of financial activities	12
Balance sheet	13
Cash flow statement	14
Principal accounting policies	15
Notes to the accounts	18

Reference and administrative information

Trustees	L Baroukh MA CFA L Craig M Jackson MA FCA I McCulloch M Schnebli H Khajeh-Hosseiny (appointed 13 February 2020) M El Hussein (appointed 13 February 2020) Lord D Brownlow CVO, DL (appointed 13 February 2020)
Secretary	Susan Gent
Principal address	Royal Albert Hall Kensington Gore London SW7 2AP
Charity registration number	285111
Auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Bankers	Coutts & Co 440 Strand London WC2R 0QS
Solicitors	Bates Wells Braithwaite LLP 10 Queen Street Place London EC4R 1BE

Trustees' report Year to 31 December 2020

The trustees present their statutory report together with the accounts of The Royal Albert Hall Trust ("the Trust") for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 15 to 17 of the attached accounts and comply with the charity's trust deed, applicable laws and the requirements of the Charities Act 2011 and the Charities SORP (FRS102).

Structure, governance and management

Constitution and objects

The Royal Albert Hall Trust – Charity Registration No. 285111 – was established under a Trust Deed dated 24 June 1982 with the object of maintaining and preserving the Royal Albert Hall, a building owned by The Corporation of the Hall of Arts and Sciences ("the Corporation"), Charity Registration No. 254543.

On 23 September 2005, following approval by the Charity Commission, the objects of the original Trust Deed of 1982 were extended by a Scheme to include the advancement of education for public benefit by the provision of such instructive activities that relate to the Royal Albert Hall as the trustees shall from time to time determine.

On 6 January 2020, the Trust Deed was amended to provide for the appointment of additional trustees who do not have to be Members of the Corporation.

The aims of the Trust (set out in the Trust deed) are the maintenance, preservation, restoration, improvement, renewal, decoration and general upkeep of the Royal Albert Hall, with power for the Trustees to furnish the Royal Albert Hall with such works and objects of scientific and artistic interest as they think fit.

The relationship between the Trust and the Corporation is such that all amounts received into the Trust are donated to the Corporation at the year-end provided that any conditions attached to the amounts received have been satisfied.

Organisation

The trustees are the current President and Vice-Presidents of the Corporation together with three appointed trustees who are not Members of the Corporation.

The Corporation appoints the trustees who meet periodically to review the progress of the Trust's charitable aims. The Trust has no employees and receives donated administration services from the Corporation.

Trustees' report Year to 31 December 2020

The Trustees, who include the President and Vice-Presidents of the Corporation, have powers under the Trust Deed to maintain the Hall (as set out above); and to hold the capital and income of the Trust Fund upon trust to apply it at such time or times as they may in their absolute discretion think fit for the purpose of the Trust. They may also (subject to any Charity law restrictions) sell, demise, let, licence and generally manage and deal with any land, buildings or interest therein, in such manner as they think fit; borrow money; and appeal for and accept donations and bequests to be held on trust for the purposes of the Trust. The Trust usually meets twice yearly in July and December – at the former, it appoints auditors and approves the Trust Annual Report and Accounts. At the latter, it agrees the amount of funds to be donated to the Hall.

During the year, the trustees in office were as follows:

Name

L Baroukh MA CFA
L Craig
M Jackson MA FCA
I McCulloch
M Schnebli
H Khajeh-Hosseiny (appointed 13 February 2020)
M El Husseiny (appointed 13 February 2020)
Lord D Brownlow CVO, DL (appointed 13 February 2020)

On appointment, trustees receive a copy of the Trust's Trust Deed, a full briefing on its activities from the Chief Executive of the Corporation as well as an induction from the Secretary to the Corporation which includes a copy of the Code of Governance for Charities and a manual to assist them with their governing responsibilities.

Statement of trustees' responsibilities

The trustees are responsible for preparing the annual report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period. In preparing the accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities SORP);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any departures disclosed and explained in the accounts;
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Trustees' report Year to 31 December 2020

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and which enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Risk management

The trustees have established a process for identifying the major operational and financial risks to which the Trust is exposed and have reviewed these risks.

As the Trust's primary objective is to raise funds for the maintenance, preservation, restoration, improvement, renewal, decoration and general upkeep of the Royal Albert Hall, the principal risks are connected with potential reputational damage or incidents that may prevent the use of the building and therefore impact on the Trust's ongoing ability to raise funds.

The trustees are satisfied that systems have been established and are functioning to mitigate and manage the above risks.

The principal risks and uncertainties to the Hall and therefore the Trust are:

Risk	Management
Incidents that prevent use of the building and therefore require cancellation of events (including closure for public health reasons, terrorist action, fire, loss of utilities, incidents causing serious injury, and disruption caused by building/ engineering works).	<ul style="list-style-type: none"> • Strict adherence/enforcement of procedures, codes of practice etc. • Built-in resilience / dual capacity / back-up systems and processes. • Organisation-wide staff induction, awareness, and training • Detailed contingency / disaster recovery planning. • Comprehensive insurance.
Damage to the Hall's reputation, impacting long-term operational and financial resilience arising from: <ul style="list-style-type: none"> • failure to comply with statute or safeguarding requirements • negative publicity arising from a misunderstanding of the Hall's unique governance structure which may lead to a reduction in public support thereby impacting the Halls ability to generate income • adverse reviews • failing service standards • data protection breaches • security-related incidents 	<ul style="list-style-type: none"> • Comprehensive procedures and staff awareness of them and training • Disclosure and explanation of the Hall's governance structure in the annual report and accounts, other statutory documents, and the website. • Conflicts Committee • Ongoing dialogue with the Charity Commission • Long-term contracts and strong relationships with major promoters and corporate partners. • Proactive and reactive media strategies. • Implementation of GDPR action plan.

<p>Deterioration to the fabric of our Grade 1 listed building due to lack of preventative maintenance, non-compliance with buildings regulations, and building projects not managed properly.</p>	<ul style="list-style-type: none">• Project approval process (approved by the Corporation's Council) in place.• Regular project reviews and oversight by the Corporation's Fabric and Finance Committees.• Long-term condition survey carried out.• Robust building surveys, audits, and planned maintenance reviews are being undertaken.
---	---

Activities

The Trust meets its objectives by raising funds from donations and other fundraising events in order that it may make periodic donations (or grants) to the Corporation. When considering the aims and activities of the Trust, the trustees have had regard to the Charity Commission's general guidance on the provision of public benefit together with relevant specific guidance.

Achievements, performance and financial review

The principal funding source of the Trust is derived from donations and bequests in furtherance of its Objects as set out above.

We had a successful year of fundraising activities through a well-received programme of prospecting events, continuation of the Friends and Patrons Scheme and raising significant funds for investment in our capital projects.

In the year ended 31 December 2020 donations income totaled £3.3m (2019: £1.7m). During the year, the Trust made a donation to the Corporation of the Hall of Arts and Sciences of £3.9m (2019: £2.2m). Of this £0.1m (2019: £0.3m), was for the Hall's education programme, £0.8m was for the maintenance and preservation of the Hall and specifically the furtherance of the major building development projects currently being progressed by the Corporation and the remainder was unrestricted.

Reserves policy

As explained above, the Trust exists specifically to fulfil two purposes. Firstly, to contribute to the maintenance and preservation of the Royal Albert Hall and secondly to advance education for public benefit by the provision of such instructive activities that relate to the Royal Albert Hall. The trustees have examined the need for free reserves, i.e. those unrestricted funds not invested in tangible fixed assets or designated for specific purposes. Given the objects of the Trust, the trustees believe there is no specific need for general or free reserves. The total reserves held at the balance sheet date, which comprised restricted funds only, were £0.4m (2019: £0.8m) (unrestricted funds having been received and fully spent in the year).

Fundraising

The Trust does not engage any third parties in our fundraising efforts and all approaches and relationships are managed by the Hall's internal Philanthropy team with introductions or referrals being effected by our Philanthropy Board and other close contacts or through our database and legitimate online research.

The Philanthropy Board performs an introductory function, allowing the team to meet more potential supporters with an interest in the Royal Albert Hall. The efforts of the Philanthropy Board (which has an external Chairman, Ben Elliot) are monitored by the Development Committee which is the conduit between the Philanthropy Board and the Hall's Council.

During the year the Corporation did not receive any complaints regarding Fundraising and there were no known breaches of the Fundraising Code. The Hall is a member of the Fundraising Regulator and adheres to the Fundraising Code and all good standards of practice. As set out in our Philanthropy Policy, the Hall's fundraising team adheres to Section 1.2 of the Code of Fundraising Practice and is committed to protecting vulnerable donors. We comply with all legal requirements relating to data protection, under the Data Protection Act 2018 and the General Data Protection Regulations 2018 and do not share any data for the purposes of fundraising with third parties or data sharing schemes. We regularly carry out data protection impact assessments to ensure that we comply with the GDPR and we do not engage in intrusive practices.

Going Concern

This report sets out a review of financial performance and the charity's reserve position. We have adequate financial resources and are well placed to manage the business risks. Our planning process, including financial projections, has taken into consideration the current economic climate, and the COVID-19 pandemic and its impact on the various sources of income and planned expenditure. We believe that there are no material uncertainties that call into doubt the charity's ability to continue. The accounts have therefore been prepared on the basis that the charity is a going concern.

Financial position

The balance sheet at 31 December 2020 shows total funds of £418k (2019: £756k). This includes funds of £0.2m (2019: £0.5m) which are restricted to the maintenance and preservation of the Royal Albert Hall and £0.2m (2019 - £0.3m) which are restricted to the education programme of the Royal Albert Hall. There were no unrestricted funds (2019 - £nil).

Investment policy

The trustees have wide powers conferred on them by the Trust's trust deed enabling them to invest in stocks, shares, land and buildings of whatsoever nature at their absolute discretion as they deem appropriate.

The investment policy of the Trust is to safeguard the funds of the charity by making secure investments and, within the limits that this implies, to generate the best return possible from these funds in order to assist the Trust to carry out its purposes.

Trustees' report Year to 31 December 2020

During the year ended 31 December 2020 no investments were held.

Future plans

The Trust will continue to meet its objectives by seeking donations and bequests in order to make periodic donations to the Corporation.

Related Parties

None of the trustees receive remuneration or other benefit from their work with the charity.

Approved by the trustees on 23 June 2021
and signed on their behalf by:



I McCulloch
Chair



M Jackson
Trustee

Independent Auditor's Report to the Trustees of The Royal Albert Hall Trust

Opinion

We have audited the financial statements of Royal Albert Hall Trust ('the charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 charity's affairs as at 31 December 2020 and of 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 Charities Act 2011.

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 charity 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. 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

Independent auditor's report 31 December 2020

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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records and returns; 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 3, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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,

Independent auditor's report 31 December 2020

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR) and Health and Safety legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of donation income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and

Independent auditor's report 31 December 2020

regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP

Statutory Auditor

London

23 June 2021

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Statement of financial activities Year to 31 December 2020

	Notes	Unrestricted funds '000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Income:					
Donations and legacies		2,650	604	3,254	1,709
Investment income and interest		11	-	11	14
Commercial trading operations		347	-	347	300
Total income		3,008	604	3,612	2,023
Expenditure:					
<i>Cost of raising funds:</i>					
Commercial trading operations		4	-	4	1
<i>Expenditure on charitable activities</i>					
Cost of activities in furtherance of the charitable objectives	1	3,004	942	3,946	2,217
Total expenditure		3,008	942	3,950	2,218
Net (expenditure)		-	(338)	(338)	(195)
Net movement in funds		-	(338)	(338)	(195)
Fund balances brought forward at 1 January 2020		-	756	756	951
Fund balances carried forward at 31 December 2020		-	418	418	756

Net incoming resources and the net movement in funds relate solely to activities from continuing operations.

The notes on pages 15 to 21 form part of these financial statements.

Balance sheet 31 December 2020

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Current assets					
Debtors	5	562		933	
Cash at bank		6		6	
		<u>568</u>		<u>939</u>	
Creditors: amounts falling due within one year	6	(150)		(183)	
Net current assets					
Total net assets			<u>418</u>	<u>756</u>	
Represented by:					
Funds and reserves					
Unrestricted funds			-	-	
Restricted funds	7		<u>418</u>	<u>756</u>	
			<u>418</u>	<u>756</u>	

Approved by the trustees on 23 June 2021
and signed on their behalf by:



I McCulloch
Chair



M Jackson
Trustee

The notes on pages 15 to 21 form part of these financial statements.

Cash Flow Statement 31 December 2020

	2020 £'000	2019 £'000
Cash flows from operating activities	<u>-</u>	<u>1</u>
Change in cash and cash equivalents in the reporting period	-	1
Cash and cash equivalents at the beginning of the reporting period	6	5
Cash and cash equivalents at the end of the reporting period	<u>6</u>	<u>6</u>
Reconciliation of cash flows from operating activities		
Net (expenditure) for the reporting period	(338)	(195)
Decrease in debtors (Decrease)/Increase in creditors	371 (33)	161 35
Net cash used in operating activities	<u>-</u>	<u>1</u>

The notes on pages 15 to 21 form part of these financial statements.

Charity Information

The aims of The Royal Albert Hall Trust (RAHT) are the preservation and enhancement of the Grade I listed building which is held in trust for the nation.

The Trust is a UK registered charity (registered number: 285111) which is incorporated and domiciled in the UK. The address of the registered office is Royal Albert Hall, Kensington Gore, London, SW7 2AP, UK.

Principal activity

The principal activity of the Trust is to raise funds from donations and other fundraising events in order that it may make periodic donations (or grants) to the Corporation.

Parent Charity's Principal Activities

The Trust is a related charity of The Corporation of the Hall of Arts and Sciences ("the Corporation"), which through the appointment of the trustees has overall control of the Trust. The Corporation is a registered charity (registered number: 254543) which is incorporated and domiciled in the UK. Its purpose is to serve to promote the Arts and Sciences and the preservation and enhancement of the Grade I listed building which is held in trust for the nation. The Royal Albert Hall constitutes a public benefit entity as defined by FRS 102. The Corporation produces consolidated financial statements in which the company's financial results and position are included. The consolidated financial statements are available to the general public from the Charity Commission.

<https://www.gov.uk/government/organisations/charity-commission>

Basis of accounting

These financial statements have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Royal Albert Hall Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

Having assessed the Company's financial position, its plans for the foreseeable future, the risks to which it is exposed and forecast projections the Trustees of the Charity are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described below, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Financial instruments

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors.

Accounting for income

Incoming resources are recognised in the period in which the charity is entitled to receipt of the funds if performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered. Resources expended comprise the following:

Principal accounting policies 31 December 2020

Expenditure (continued)

- a. The costs of raising funds comprise of bank charges payable.
- b. Donations to The Corporation of the Hall of Arts and Sciences represent the transfer of monies to fund the maintenance and preservation of the Royal Albert Hall and to fund the advancement of education by the provision of instructive activities relating to the Royal Albert Hall.
- c. Governance costs comprise audit fees specific to the Trust.

Gifts in kind

Donated administration services and facilities received from the Corporation are not included in the Statement of Financial Activities because they are deemed immaterial and would be impossible to quantify with sufficient accuracy.

Investments

Listed investments are included on the balance sheet at market value. Realised and unrealised gains (or losses) are credited (or debited) to the Statement of Financial Activities in the year in which they arise.

Funds

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions.

Unrestricted funds comprise amounts which may be applied towards the Trust's charitable activities at the discretion of the trustees.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1 Expenditure on charitable activities

	Total 2020 £'000	Total 2019 £'000
Cost of activities in furtherance of the charitable objectives	3,946	2,217

Included within expenditure on charitable activities as a support cost are governance costs of £2k (2019: £2k), comprising statutory audit fees.

2 Trustees and employees

The trustees received neither remuneration nor reimbursement of expenses for their services during the year (2019 - £nil).

The trustees of the charity are covered by indemnity insurance taken out by the Corporation of the Hall of Arts and Sciences in respect of all directors, trustees and officers of the Corporation, its subsidiaries and related trusts. The total premium for the indemnity cover which was charged to the Corporation in 2020 was £15k (2019 - £13k) and the cover provided was £10 million (2019 - £10 million).

The Trust has no employees (2019 - none).

3 Related party transactions

The accounts have been consolidated with those of The Corporation of the Hall of Arts and Sciences (registered number: 254543). The address of the registered office is Royal Albert Hall, Kensington Gore, London, SW7 2AP, UK. The Corporation, which through the appointment of the trustees has overall control of the Trust.

During the year, the Trust made a donation to the Corporation of £3.9m (2019: £2.2m)

A number of Trustees made donations to the Charity to carry out its charitable objectives during the year totalling £215k (2019: £2k).

4 Taxation

The Trust is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Notes to the accounts 31 December 2020

5 Debtors

	2020	2019
	£'000	£'000
Amounts due from the Corporation of the Hall of Arts and Sciences	133	168
Taxation recoverable	407	258
Other debtors	22	507
	562	933

6 Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Other creditors	150	183
	150	183

7 Funds

	As at 01/01/2020 £'000	Income £'000	Expenditure £'000	As at 31/12/2020 £'000
Building fund	500	573	(823)	250
Education fund	256	31	(119)	168
Unrestricted fund	-	3,008	(3,008)	-
	756	3,612	(3,950)	418

	As at 01/01/2019 £'000	Income £'000	Expenditure £'000	As at 31/12/2019 £'000
Building fund	750	625	(875)	500
Education fund	201	360	(305)	256
Unrestricted fund	-	1,038	(1,038)	-
	951	2,023	(2,218)	756

Restricted funds comprise the Building Fund and the Education Fund. The Building Fund is held for the preservation and maintenance of the Royal Albert Hall. The Education Fund represents donations received in respect of specific education projects to be delivered by The Corporation of the Hall of Arts and Sciences after 31 December 2020.

Unrestricted funds comprise of amounts received that will be donated to the building fund which as above is held for the preservation and maintenance of the Royal Albert Hall.

8 Analysis of net assets between funds

	Restricted Funds			2020 Total £'000
	Unrestricted Funds £'000	Education Fund £'000	Building Fund £'000	
Current assets	150	168	250	568
Creditors: amounts falling due within one year	(150)	-	-	(150)
	-	168	250	418

	Restricted Funds			2019 Total £'000
	Unrestricted Funds £'000	Education Fund £'000	Building Fund £'000	
Current assets	183	256	500	939
Creditors: amounts falling due within one year	(183)	-	-	(183)
	-	256	500	756

9 Financial Instruments

At the balance sheet date the charity held financial assets comprising cash and other debtors at amortised cost of £161k (2019: £681k) and financial liabilities comprising other creditors at amortised cost of £1k (2019: £2k).

10 2019 Comparative Statement of Financial Activities

	Notes	Unrestricted funds '000	Restricted funds £'000	2019 Total funds £'000
Income:				
Donations and legacies		724	985	1,709
Investment income and interest		14	-	14
Commercial Trading operations		300	-	300
Total income		1,038	985	2,023
Expenditure:				
<i>Cost of raising funds:</i>				
Commercial trading operations		1	-	1
<i>Expenditure on charitable activities</i>				
Cost of activities in furtherance the charitable objectives	1	1,037	1,180	2,217
Total expenditure		1,038	1,180	2,218
Net income/(expenditure)		-	(195)	(195)
Net movement in funds		-	(195)	(195)
Fund balances brought forward at 1 January 2019		-	951	951
Fund balances carried forward at 31 December 2019		-	756	756