

# The Philharmonia Orchestra in Bedford Trust

## FINANCIAL STATEMENTS

for the Year Ending 31 March 2021

# The Philharmonia Orchestra in Bedford Trust

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# The Philharmonia Orchestra in Bedford Trust

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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The Trustees present their report together with the financial statements of The Philharmonia Orchestra in Bedford Trust for the year ended 31 March 2021.

### REFERENCE AND ADMINISTRATIVE DETAILS

Charity Registration number: 1170495

Constitution: The Philharmonia Orchestra in Bedford Trust is a registered Charity governed by the Declaration of Trust dated 7th April 2016.

Registered Office: The Harpur Trust  
Princeton Court  
Pilgrim Centre  
Brickhill Drive  
Bedford  
MK41 7PZ

Bankers: NatWest Bank plc  
125 Great Portland Street  
London  
W1A 1GA

Independent Examiner: MHA MacIntyre Hudson  
Moorgate House  
201 Silbury Boulevard  
Milton Keynes MK9 1LZ

Trustees: David Whelton (Chairman)  
David Knapman (Honorary Treasurer)  
Jeremy William Arthern  
Councillor Henry Vann  
David Russell  
Stuart Renshaw  
David Steadman (*appointed 28 May 2020*)

Investment Manager: Sarasin & Partners LLP  
Juxon House  
100 St Paul's Churchyard  
London  
EC4M 8BU

# The Philharmonia Orchestra in Bedford Trust

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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### Objectives and Activities

The objects of the charity are the advancement of the education of the public in the Borough of Bedford (the "Borough") through the promotion and support of the art of music, in particular (but without limitation) by the promotion and support of the following;

- The residence of the Philharmonia in the Borough,
- Such other free of charge educational activities as may be carried out by Philharmonia in the Borough from time to time; and
- Such other activities as the Trustees consider will advance the education of the public in the Borough through the promotion and support of the art of music.

The trustees have paid due regard to the Charity Commission guidance on public benefit.

When reviewing the charity's objectives and activities set out above, the Trustees have referred to the charity commission general guidance on public benefit and complied with its duty under the Charities Act 2011.

### Achievements and performance

#### Review of activities

During the year, the charity achieved its initial target of £1m of endowment funds. We are now working towards our next target of £2m of endowment funds.

#### Investment Policy

The Trustees' objective is to invest the Trust's assets in order to maximise the total return whilst balancing risk through a diversified assets portfolio. It is the objective of the fund to both return the value of the fund to its original capital value and to generate sufficient income to support the orchestra in its activities in Bedford.

The Trustees have delegated the management of the Trust's investments to The Harpur Trust, which in turn has delegated the day to day management to an investment manager, Sarasin & Partners.

Under the terms of the governing document, there are no restrictions on the charity's power to invest.

#### Grant Making

During the year a reduced grant of £10,000 was awarded to the Philharmonia Orchestra, due to the coronavirus pandemic preventing concerts being held in Bedford (2019/20 £22,000).

No grants were made to the Orchestra for the Hear and Now project (2019/20 £5,000).

#### Financial Review

The financial statements cover all the activities of the charity during the year. Gross income totalled £42,723 (2019/20 £30,929) and there was a surplus in the year of £205,559 (2019/20 deficit £43,425) after taking into account the investment revaluation surplus.

At the year end total reserves were £1,042,917 (2019/20 £837,358) of which £1,061,207 (2019/20 £880,155) were Endowment funds and a deficit of £18,290 (2019/20 deficit £42,797) of Unrestricted funds. The deficit on Unrestricted funds will be replenished from future income generated by the Endowment funds.

# The Philharmonia Orchestra in Bedford Trust

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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### **Reserves policy and Risk Management**

It is the Trustees' intention to reserve a balance of income generated from the Endowment Fund to enable them to provide an annual grant to support related activities.

The continuing risk from the pandemic in 2020/21, COVID-19, puts uncertainty around the ability to raise funds through donations and grants as well as the returns expected on investments.

### **Plans for the future**

The bulk of funds are held in a diversified assets portfolio, managed by our Investment Managers, Sarasin & Partners. Income from these investments enable the Trust to promote and support the art of music in the Borough of Bedford via the activities of Philharmonia Limited, by the provision of grants in line with their 5 year vision document.

Plans for the future will be kept under review by the Trustees. Definite arrangements are difficult to formulate at the present time, due to the COVID-19 pandemic and the necessary restrictions on activities.

### **Structure, governance and management**

The Trust is a registered charity (Number 1170495) and was established under a Trust Deed dated 7<sup>th</sup> April 2016.

### **Policy for the induction and training of trustees**

New Board members receive a formal induction session from the existing Trustees. In addition, additional external Trustee training and guidance is provided dependent on the experience and skills of the new Trustees.

### **Related parties**

There were no related party transactions in the year.

### **Organisational structure and decision making**

The Trustees have delegated the accounting function to Philharmonia Limited. Philharmonia Limited, the Harpur Trust and Bedford Council are entitled to nominate in writing one individual for appointment as a Trustee from time to time.

### **Method of appointment or election of trustees**

The range of skills and experience of the Board is kept under review and new appointments are recommended in order to ensure the Board has and maintains a full range of expertise.

# The Philharmonia Orchestra in Bedford Trust

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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### Trustees' responsibilities statement

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements 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 of the charity for that year. 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 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

David Whelton

Chairman



Date: 14<sup>th</sup> September 2021

# The Philharmonia Orchestra In Bedford Trust

## INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES OF THE PHILHARMONIA IN BEDFORD TRUST

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I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2021 which are set out on pages 7 to 12.

### **Responsibilities and basis of report**

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

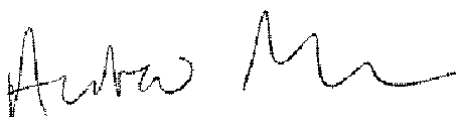
I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

### **Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Andrew Moyser

FCCA,FCA

MHA MacIntyre Hudson  
Moorgate House  
201 Silbury Boulevard  
Milton Keynes  
MK9 1LZ

Date: 24 September 2021

# The Philharmonia Orchestra In Bedford Trust

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021

		2021	2021	2021	2020	2020	2020
		Unrestricted	Endowment	Total	Unrestricted	Endowment	Total
		Funds	Funds	Funds	Funds	Funds	Funds
	Note	£	£	£	£	£	£
<b>Income from:</b>							
Donations	1	-	902	902	-	1,307	1,307
Investment income	2	41,821	-	41,821	29,622	-	29,622
<b>Total</b>		<b>41,821</b>	<b>902</b>	<b>42,723</b>	<b>29,622</b>	<b>1,307</b>	<b>30,929</b>
<b>Expenditure on:</b>							
Grants made	3	10,000	-	10,000	27,000	-	27,000
Bank charges		6	-	6	60	-	60
Audit & Accountancy fees		1,590	-	1,590	2,238	-	2,238
Other Expenditure		5,718	-	5,718	(436)	-	(436)
<b>Total Expenditure</b>		<b>17,314</b>		<b>17,314</b>	<b>28,862</b>	<b>-</b>	<b>28,862</b>
		<b>24,507</b>	<b>902</b>	<b>25,409</b>	<b>760</b>	<b>1,307</b>	<b>2,067</b>
<b>Other recognised Gains/(Losses):</b>							
Gain/(Loss) on investment assets	4	-	180,150	180,150	-	(45,492)	(45,492)
<b>Net income / (expenditure)</b>		<b>24,507</b>	<b>181,052</b>	<b>205,559</b>	<b>760</b>	<b>(44,185)</b>	<b>(43,425)</b>
<b>Total funds brought forward</b>		<b>(42,797)</b>	<b>880,155</b>	<b>837,358</b>	<b>(43,557)</b>	<b>924,340</b>	<b>880,783</b>
<b>Total funds carried forward</b>	9	<b>(18,290)</b>	<b>1,061,207</b>	<b>1,042,917</b>	<b>(42,797)</b>	<b>880,155</b>	<b>837,358</b>

The notes on pages 11 to 12 form an integral part of these financial statements



# The Philharmonia Orchestra In Bedford Trust

## BALANCE SHEET

31<sup>st</sup> March 2021

	Note	2021 £	2020 £
<b>Investments</b>	4	1,049,422	838,513
Cash at bank		29,675	23,916
Debtors	5	5,335	5,375
<b>Current Assets</b>		<u>35,010</u>	<u>29,291</u>
Creditors: Amounts falling due within one year	6	(41,515)	(30,446)
<b>Net Current Assets</b>		<u>(6,505)</u>	<u>(1,155)</u>
<b>Net Assets</b>		<u>1,042,917</u>	<u>837,358</u>
<b>Reserves</b>			
Unrestricted Fund	10	(18,290)	(42,797)
Trust Endowment Fund	10	1,061,207	880,155
<b>Total Funds</b>		<u>1,042,917</u>	<u>837,358</u>

The financial statements were approved and authorised for issue by the Trustees on 14<sup>th</sup> September 2021



David Whelton

Chairman



David Knapman

Treasurer

The notes on pages 11 to 12 form part of these financial statements

# The Philharmonia Orchestra In Bedford Trust

## STATEMENT OF CASHFLOW

31<sup>st</sup> March 2021

	2021	2020
	£	£
<b>Cashflows from operating activities:</b>		
<b>Net income for the year (per the statement of financial activities)</b>	205,559	(43,425)
Adjustments for:		
(Increase)/Decrease in debtors	40	787
Increase/(Decrease) in creditors	11,068	13,112
<b>Net cash (used in)/provided by operating activities being net change in cash and cash equivalents</b>	216,667	(29,526)
<b>Net cash (used in) investing activities</b>	(210,909)	14,366
<b>Change in cash and cash equivalents in the reporting year</b>	5,758	(15,160)
<b>Cash and cash equivalent brought forward</b>	23,916	39,076
<b>Cash and cash equivalent carried forward</b>	29,675	23,916

# The Philharmonia Orchestra In Bedford Trust

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Charities SORP (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

### GOING CONCERN

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Principal accounting policies adopted in the preparation of the financial statements are set out below.

### INCOME

Voluntary income, including donations, gifts and legacies, as well as grants that provide core funding or are of a general nature are recognised where there is entitlement, receipt is probable and the amount can be measured with sufficient reliability.

Income earned through interest or investments is recognised in the period it is received.

### EXPENDITURE

Expenditure is recognised when a liability has been incurred and on an accruals basis. Expenditure is recognised in the period in which the liability is incurred.

### FUNDS

Unrestricted funds are donations or other income, receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Permanent Endowment funds are funds that generally cannot be spent under the terms of the grant awards from The Harpur Trust, Bedford Council and the Arts Council. Any income arising from these funds will form part of Unrestricted funds. Expenditure incurred in support of the charitable activities of the Trust has been set against these funds with the intention that the funds will be built up to their original level from income raised by the investing of the Endowment funds.

### DEBTORS

Trade and other debtors are recognised at the settlement amount.

### CASH AT BANK AND IN HAND

Cash at bank and 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.

### FINANCIAL INSTRUMENTS

The Charity only has basic 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 their settlement value.

### INVESTMENTS

Investments are revalued at open market value at the balance sheet date and the gain or loss is taken to the Statement of Financial Activities.

# The Philharmonia Orchestra In Bedford Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> March 2021

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### 1 DONATIONS

	2021 £	2020 £
Sundry donations and Gift Aid	902	1,307
	<u>902</u>	<u>1,307</u>

### 2 INVESTMENT INCOME

	2021 £	2020 £
Bank interest receivable	-	90
Income from investment	41,821	29,532
	<u>41,821</u>	<u>29,622</u>

### 3 GRANTS AWARDED

A grant of £10,000 was awarded to the Philharmonia Limited to support the work undertaken in Bedford by the Orchestra in 2020/21 (2019/20 £22,000).

No grant was awarded to the Philharmonia Orchestra's Hear and Now project (2019/20 £5,000).

### 4 INVESTMENTS

	2021 £	2020 £
Balance brought forward 1 April 2020	838,513	852,879
Additions to investments at cost	30,759	31,126
Net gain on revaluation (based on open market valuation at year end)	180,150	(45,492)
At 31 March 2021	<u>1,049,422</u>	<u>838,513</u>

### 5 DEBTORS

	2021 £	2020 £
Gift Aid receivable	5,335	5,335
Cash held by investment fund	-	40
	<u>5,335</u>	<u>5,375</u>

# The Philharmonia Orchestra In Bedford Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> March 2021

### 6 CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Amount payable to Philharmonia Limited	39,925	28,856
Accruals and deferred income	1,590	1,590
	<u>41,515</u>	<u>30,446</u>

### 7 TRUSTEE REMUNERATION

No Trustee received any remuneration for their services

The charity considers its key management personnel to be the Trustees

### 8 RELATED PARTY TRANSACTIONS

The Trustees have delegated the management of the Trust's investments to The Harpur Trust, which in turn has delegated the day to day management to an investment manager, Sarasin & Partners.

There were no related party transactions in the year, or prior year.

### 9 FUNDS

	At 1 April 2020	Income	Expenditure	Gains & Losses	At 31 March 2021
	£	£	£	£	£
<b>Endowment Funds</b>	880,155	902	-	180,150	1,061,207
<b>Unrestricted Funds</b>	(42,797)	41,821	(17,314)	-	(18,290)
<b>Total Funds</b>	<u>837,358</u>	<u>42,723</u>	<u>(17,314)</u>	<u>180,150</u>	<u>1,042,917</u>

Unrestricted Funds will be replenished from future income generated from the Endowment funds.

### ANALYSIS OF NET ASSETS BETWEEN

### 10 FUNDS

	2021	2021	2021	2020	2020	2020
	Unrestricted	Endowment	Total	Unrestricted	Endowment	Total
	Funds	Funds	Funds	Funds	Funds	Funds
	£	£	£	£	£	£
<b>Investments</b>	-	1,049,422	1,049,422	-	838,513	838,513
<b>Current assets</b>	23,225	11,785	35,010	(12,351)	41,642	29,291
<b>Current liabilities</b>	(41,515)	-	(41,515)	(30,446)	-	(30,446)
	<u>(18,290)</u>	<u>1,061,207</u>	<u>1,042,917</u>	<u>(42,797)</u>	<u>880,155</u>	<u>837,358</u>

