

**Harrogate Symphony Orchestra**  
**Annual Financial Statements**  
**Year ended 31st July 2016**

| <b>Concerts</b>                 | <b>2016</b>   |                    |                      | <b>2015</b>          |
|---------------------------------|---------------|--------------------|----------------------|----------------------|
|                                 | <b>Income</b> | <b>Expenditure</b> | <b>Profit (Loss)</b> | <b>Profit (Loss)</b> |
| November                        | 7,503         | 3508               | 3,995                | 1722                 |
| Christmas                       | 9,930         | 9,665              | 265                  | 2,782                |
| March                           | 8,335         | 5,981              | 2,354                | 13                   |
| June                            | 7,076         | 5,498              | 1,578                | 1,482                |
| July - BBC                      | 0             | 0                  | 0                    | 192                  |
| Future Concerts                 | 0             | 2,013              | (2,013)              | (1,296)              |
| Concert Costs Recovered         | 648           | 0                  | 648                  | 0                    |
| Prior Year Costs                | 0             | 480                | (480)                | 0                    |
| PRS Refund                      | 117           | 0                  | 117                  | 0                    |
|                                 | <u>33,609</u> | <u>27,145</u>      | <u>6,464</u>         | <u>4,895</u>         |
| <b>Non Concert Attributable</b> | 11,955        | 9,556              | 2,399                | 1,413                |
| <b>Total</b>                    | <u>45,564</u> | <u>36,701</u>      | <u>8,863</u>         | <u>6,308</u>         |

**Bank Summary**

Opening Balances

|                            |               |
|----------------------------|---------------|
| Community Fund Account     | 12,783        |
| Social Fund Account        | 1,710         |
| Savings Account            | <u>12,596</u> |
|                            | 27,089        |
| Surplus (Deficit) as above | 8,863         |
| Bank Interest              | <u>6</u>      |
|                            | <u>35,958</u> |

Closing Balances

|                        |               |
|------------------------|---------------|
| Community Fund Account | 22,747        |
| Social Fund Account    | 609           |
| Savings Account        | <u>12,602</u> |
|                        | <u>35,958</u> |

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| <b>Non Concert Attributable</b>           |                  |                    | <b>Total</b>  | <b>Total</b> |
|---|------------------|--------------------|---------------|--------------|
|   | <b>Main Fund</b> | <b>Social Fund</b> | <b>2016</b>   | <b>2015</b>  |
| <b>Income</b>                             |                  |                    |               |              |
| Subscriptions                             | 789              |                    | 789           | 507          |
| Donations & Miscellaneous                 | 5,710            |                    | 5710          | 5,173        |
| Gift Aid                                  | 46               |                    | 46            | 590          |
| Barclays Compensation                     | 3,522            |                    | 3522          | 1,496        |
| Christmas Meal (members contribution)     | 490              |                    | 490           | 0            |
|   |                  | 1398               | 1398          | 1,446        |
|   | <u>10,557</u>    | <u>1,398</u>       | <u>11,955</u> | <u>9,212</u> |
| <b>Expenditure</b>                        |                  |                    |               |              |
| Rehersal Room                             | 1,155            |                    | 1155          | 494          |
| MD Honorarium                             | 2,030            |                    | 2030          | 1,536        |
| Leader Honorarium                         | 2,500            |                    | 2500          | 2,000        |
| Library Costs                             | 600              |                    | 600           | 500          |
| Miscellaneous                             | 100              |                    | 100           | 82           |
| Making Music Sub & PL Insurance           | 289              |                    | 289           | 191          |
| Postage & Stationery & Sundry             | 244              |                    | 244           | 786          |
| Events Brochures                          | 264              |                    | 264           | 31           |
| Alberto Posters etc & charitable donation | 60               |                    | 60            | 232          |
| Publicity                                 | 0                |                    | 0             | 182          |
| Air Cadets                                | 178              |                    | 178           | 0            |
| AGM Catering                              | 156              |                    | 156           | 191          |
| Christmas Meal                            | 223              |                    | 223           | 227          |
| Website                                   |                  | 1,691              | 1691          | 1,299        |
| Gifts & Flowers                           | 66               |                    | 66            | 48           |
|   | <u>7,865</u>     | <u>1,691</u>       | <u>9,556</u>  | <u>7,799</u> |
| <b>Surplus</b>                            | <u>2,692</u>     | <u>(293)</u>       | <u>2,399</u>  | <u>1,413</u> |

## **Independent examiner's report to the trustees of Harrogate Symphony Orchestra**

I report to the trustees on my examination of the accounts of the Trust for the year ended on 31<sup>st</sup> July 2016.

### **Respective responsibilities and basis of report**

As the charity trustees of the Trust 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 Trust's accounts carried out under section 145 of the 2011 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 Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records.

I have not 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.

Name:

*Lydia Devenny*

Lydia Devenny

Relevant professional  
qualification or body:

ACMA

Address:

2 Mallinson Way, Harrogate, HG2 9HL

Date:

02/12/2017

| Direction |   | Action taken  | Findings  | Recommendation |
|-----------|---|---|---|----------------|
| 1         | Check whether the charity is eligible to have an independent examination.<br>The examiner must check to see if the charity is permitted to have an independent examination or whether it is required to have an audit by charity or company law or any other reason. If the trustees have chosen to prepare the accounts on a receipts and payments basis, the examiner must check that the charity is eligible for receipts and payments accounts. |   |   |                |
| a         | Check an audit is not required  | The charity is not incorporated under the Companies Act. The Constitution has been amended to require an independent examination (as was previously inferred as they dated back pre 1993)<br>Gross income does not exceed £1m.<br>Income is above £25,000 | That and Independent Examination is appropriate.  | None.          |
| b         | Check if subsidiaries or branches have been taken into account  | Asked trustees for confirmation.  | There are no subsidiaries or branches.  | None           |
|           | Check if accruals accounts are required   | The charity is not incorporated. Gross income is less than £250k.<br>There is no reference to accruals in the Constitution.   | Receipts and payments option is appropriate.  | None           |
|           | The examiner is able to carry out the examination   | Review appendix 5: relevant experience /knowledge and professional qualification requirements.  | Member of Chartered Institute of Management Accounts. Former executive director of a small charity and current Deputy CEO of an Exempt charity. | None           |
|           | Keeping the charity's income under review   | Check that income has not exceeded £250k (see also direction 3).  | Income has not exceeded £250k.  | None           |
|           | Checking for any audit dispensation   | Not required.   | n/a   | None           |
|           | If a company check for the audit exemption statement  | Not required.   | n/a   | None           |



CC32 Accounts Direction – Harrogate Symphony Orchestra 2015/16 – 31 July 2016

|   | Direction   | Action taken  | Findings  | Recommendation |
|---|---|---|---|----------------|
|   | <b>Establishing early on that an independent examination can be carried out</b>   | Consider checks above.  | An independent examination can be carried out.  | None           |
| 2 | <b>Check for any conflict of interest that prevents the examiner from carrying out their independent examination.</b><br><b>The examiner must not be influenced, or perceived to be influenced, by either close personal relationships with the trustees of the charity, being a major donor or having control or significant influence over a major funder to the charity, or through day to day involvement in the administration of the charity being examined. The examiner must ensure that there are no matters and no potential matters that would reasonably give rise to a perception of their independence that would affect their ability to carry out the examination in a wholly objective manner.</b> |   |   |                |
|   | <b>Examiner has no connection with the charity trustees which might inhibit the impartial conduct of the examination.</b><br><br><b>S145(1)(a) “an independent person who is reasonably believed by the charity trustees to have the requisite ability and practical experience to carry out a competent examination of the accounts”.</b>  | The examiner is a member of the charity.<br>Is an experienced, qualified accountant.<br>Is not the book-keeper<br>The examiner has advised in the preparation of the accounts but has not maintained the records.<br>No conflict of interest – no day to day involvement in running the charity.<br>No close relationship | None  |                |
| 3 | <b>Record your independent examination.</b><br><b>The examiner must keep a record of their examination and the conclusions reached which is sufficient to allow a third party unconnected with their work to conclude that they have followed the Directions (including Directions 1 and 2)</b><br><b>Working papers</b>  |   |   |                |
|   | <ul style="list-style-type: none"> <li>A communication with the trustees which confirms their appointment as the independent examiner</li> <li>Confirmation that the examiner has the qualification (where required)</li> <li>Confirmation that the charity is eligible for the independent examination</li> <li>The analytical review (Direction 11)</li> <li>Notes as to how any areas of concern identified have been resolved, including meetings with trustees and charity staff, together with details of any verification procedures used</li> </ul>   | Emails discussing the examination and asking views.<br>See D1 & 2 above<br><br>Accounts were presented to AGM, in advance of being examined.  | That accounts need to be presented for independent examination earlier to allow the charity to discharge the requirements of the regulator.<br><br>That the accounts be examined prior to the AGM to give members assurance that the receipts and payments have been accurately recorded. |                |

**CC32 Accounts Direction – Harrogate Symphony Orchestra 2015/16 – 31 July 2016**

|          | <b>Direction</b>  | <b>Action taken</b> | <b>Findings</b>  | <b>Recommendation</b>  |
|----------|---|---------------------|--|--|
|          | <ul style="list-style-type: none"> <li>Where verification procedures have been used, details of checks or vouching carried out during the examination, the conclusions reached on any areas of concern identified</li> <li>The approved accounts (see Direction 6)</li> <li>The trustees annual report where accruals accounts are prepared (consideration of the trustees' annual report (see Direction 12)</li> <li>Relevant information that the examiner relied upon and/or considered in carrying out their examination for example copies of the governing document, trustees' meeting minutes and a record of discussions with the charity's trustees and the charity's</li> <li>Copies of any written assurances that the examiner has required of the trustees confirming amounts including within the accounts.</li> <li>The examiner's conclusions about what they have found out during the independent examination that support their examiners' report to the trustees (Direction 13)</li> <li>Details of any matters identified as matters of material significance which the examiner must report to the Commission or any relevant matters that the examiner chose to report to the Commission.</li> </ul> |                     | <p>Annual report not required</p> <p>Written assurances not deemed necessary.</p>      |  |
| <b>4</b> | <b>Plan the independent examination.</b><br><b>In order to plan the specific examination procedures appropriate to the circumstances of the charity, the examiner must review:</b>  |                     |  |  |
|          | <ul style="list-style-type: none"> <li><b>The charity's constitution</b></li> </ul>   |                     | Constitution reviewed and amendments noted.  | Reviewed, amendments noted.  |
|          | <ul style="list-style-type: none"> <li><b>The way the organisation is controlled and managed</b></li> </ul>   |                     | Trustees meet regularly to plan and organise concerts, review finances etc.            | Invite the independent examiner to a meeting to enable them to make any enquires and present recommendations.  |
|          | <ul style="list-style-type: none"> <li><b>Whether action has been taken on any previous recommendations for improvement</b></li> </ul>  |                     | Some evidence that recommendations had been actioned, but some have not been continued | Budgets be set for each year.<br>Better recording of cash payments made to individual players for concerts e.g. individuals to sign for receipt / bank transfer. |



CC32 Accounts Direction – Harrogate Symphony Orchestra 2015/16 – 31 July 2016

|   | Direction   | Action taken | Findings  | Recommendation  |
|---|---|--------------|---|---|
|   | <ul style="list-style-type: none"> <li>The accounting records and systems</li> </ul>  |              | Various accounting systems have been used, making review more complex   | Recommend use of a simple spreadsheet to maintain the receipts and payments, and to allow analysis.   |
|   | <ul style="list-style-type: none"> <li>The charity's structure, its funds and how fund balances changed in the year; and</li> </ul>   |              | Reviewed opening and closing balances. Balances have increased.   | None  |
|   | <ul style="list-style-type: none"> <li>The charity's activities in the year and spending and the financial risks the charity faces.</li> </ul>  |              | Income has increased, as has expenditure in line with activity. Increasing bank balance to manage the risk of concerts making a substantial loss for e.g. an unplanned event. | None  |
| 5 | <b>Check that accounting records are kept to the required standard.</b>   |              |   |   |
|   | The examiner must ensure that accounting records have been kept in compliance with the relevant legislative requirements.   |              | Transactions maintained on an accounting system.  | None  |
| 6 | <b>Check that the accounts are consistent with the accounting records.</b>  |              |   |   |
|   | The examiner must compare the accounts of the charity with the charity's accounting records in sufficient detail to reasonably conclude that the accounts are not materially inconsistent with the accounting records.  |              | The transaction listing has not been provided.<br>Banking transactions checked to invoices for  | A full transaction listing should be provided to the examiner.  |
| 7 | <b>If the accounts are prepared on an accruals basis and one or more related party transactions took place the examiner must check if these were properly disclosed in the notes to the accounts.</b>   |              |   |   |
|   | The examiner must check that the trustees have considered if there were any related party transactions in the reporting period and check whether the trustees have made the disclosures required by the applicable Statement of Recommended Practice (SORP) in the notes to the accounts. |              | Reviewed the accounts, as presented to the members. Accounts prepared on a receipts and payments basis. Honoraria disclosed in reports to members                             | <p>Check to see if need to disclose the honorarium payable to the conductor (and trustee) to the charity commission.</p> <p>Not need to disclose, but should have something set out in relation to the payments made (or subscriptions waived) see here for further information:</p> <p><a href="https://www.gov.uk/guidance/payments-to-charity-trustees-what-the-rules-are">https://www.gov.uk/guidance/payments-to-charity-trustees-what-the-rules-are</a></p> |

CC32 Accounts Direction – Harrogate Symphony Orchestra 2015/16 – 31 July 2016

|    | Direction  | Action taken | Findings  | Recommendation  |
|----|--|--------------|---|---|
| 8  | <b>Check the reasonableness of the significant estimates and judgments and accounting policies used in accounting for the types of fund held and in the preparation of the accounts. The examiner must:</b>  |              |   |   |
|    | <ul style="list-style-type: none"> <li>Check whether the separate funds of the charity have been correctly accounted for and reported correctly in the accounts.</li> <li>Check the reasonableness of any significant estimates or judgements.</li> </ul>  |              | Reviewed receipts and payments into the social fund (which is restricted under the constitution)  | Keep the social funds receipts and payments separate from the main fund. Ensure that funds from the main account are not used to subsidise social events. |
|    | <ul style="list-style-type: none"> <li>Where accruals accounts are prepared check that the accounting policies adopted are consistent with the applicable SORP and are appropriate to the activities of the charity.</li> </ul>  |              | Accounts on a receipts and payments basis. Not applicable.  | None  |
| 9  | <b>The examiner must check whether the trustees have considered the financial circumstances of the charity at the end of the reporting period and, if the accounts are prepared on an accruals basis, check whether the trustees have made an assessment of the charity's position as a going concern when approving the accounts.</b> |              |   |   |
|    | <b>Where either receipts and payments or accruals accounts are prepared, the examiner must consider whether the trustees have assessed what invoices, bills and commitments remain outstanding at the end of the reporting period and whether the trustees have identified if they can settle these as and when they fall due.</b>     |              | Accounts are prepared on a receipts and payments basis. There are sufficient cash balances for the charity to continue in operation and meet liabilities as they fall due. Trustees have chosen to manage reserves such that there is sufficient to cover concert costs in the event of there being a substantial loss of concert income. | None  |
| 10 | <b>Check the form and content of the accounts. The examiner must carry out such procedures as the examiner considers necessary to provide a reasonable basis on which to conclude whether or not the accounts have been properly prepared. The examiner must:</b>  |              |   |   |
|    | <b>Where receipts and payments accounts have been prepared check that the charity can lawfully prepare such accounts, that all the accounting statements are present and that the funds of the charity are correctly identified</b>  |              | Receipts and payments are at a similar level the previous year. No statement of assets and liabilities.   |   |
| 11 | <b>Identify items from the analytical review of the accounts that need to be followed up for further explanation or evidence.</b>  |              |   |   |



CC32 Accounts Direction – Harrogate Symphony Orchestra 2015/16 – 31 July 2016

|    | Direction  | Action taken | Findings  | Recommendation   |
|----|--|--------------|---|--|
|    | <p><b>The examiner must carefully consider if, during the course of their examination, items were found that were material to the accounts which need further explanation or supporting evidence. If the examiner is concerned that the charity's accounts could be materially misstated then the examiner must undertake sufficient additional work to be satisfied that any such item has been explained and correctly included in the accounts.</b></p> <p><b>The examiner must be alert to any related party transactions that require separate disclosure in the accounts. Where the examiner is not satisfied on any item that the examiner must refer to it in their independent examiner's report.</b></p> |              |   |  |
|    | Compare the analysis of the cash received and the cash spent in the current year with the previous year to identify any significant changes from year to year. The examiner is recommended to look for material items, differences or changes which require further explanation.   |              | Review of payments (invoices) no unusual expenditure found. Transaction listing not provided. | To provide a transaction listing which reconciles to the opening and closing bank account balances.<br>To ensure that the receipts and payments for the Social Fund are kept separate from the main account. To review the terms of the designated fund and confirm that the purpose and terms of the fund remain fit for purpose. |
| 12 | <p><b>Compare the trustees' annual report with the accounts.</b></p> <p><b>The examiner must compare any narrative information or figures in the trustees' annual report with the accounts in order to identify any material inconsistency between the trustees' annual report and the accounts.</b></p>   |              |   |  |
|    | If accounts are prepared on the receipts and payments basis under section 42(3) there is no requirement placed on the examiner to comment on whether an inconsistency is present.  |              | An annual report is not required  | None   |
| 13 | <p><b>Write and sign the independent examination report.</b></p> <p><b>The examiner must review the conclusions from their independent examination and then prepare and sign their independent examiner's report. The content of their report must cover all the matters required by the 2008 Regulations. If the examiner has identified a matter of concern because one or more of the specific matters listed in the 2008 Regulations or in this Direction are present or remain unresolved then the examiner must bring it to the attention of trustees in their independent examiner's report.</b></p>  |              |   |  |
|    | Statutory duty to report matters of material significance to the Commission. These are listed in section 156(3) of the Charities Act 2011.   |              | None to report  | None   |