

# SOUTHBANK SINFONIA

(A company limited by guarantee)

## TRUSTEES' ANNUAL REPORT and AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
31 DECEMBER 2018

Company Registration Number: 04335616  
Registered Charity Number: 1092461

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## REFERENCE AND ADMINISTRATIVE DETAILS

### Southbank Sinfonia Ltd

Company Registration Number: 04335616

Registered Charity Number: 1092461

### Trustees

J Michael Berman CBE

Sarah Derbyshire (appointed 1 May 2018)

Lord Filkin CBE (resigned 11 October 2018)

Sean Finnan (resigned 27 February 2019)

Mindy Kilby (appointed 1 May 2018)

Baroness McIntosh of Hudnall

Simon Over

D Mark Payne

Duncan Sutherland

Katharine Verney

Trustees are recruited, appointed and trained by the existing Trustees. No external persons are entitled to appoint Trustees. Trustee meetings are held at least four times a year to review the financial and operational state of the charity and to make key strategic decisions. The Trustees have carried out a thorough review of the strategic and operational risks faced by the charity, and annually monitor the measures in place to manage exposure to these risks. The Trustees delegate day-to-day operation of the charity to the Managing Director and management team.

Southbank Sinfonia was previously registered with Companies House under the name The Southbank Sinfonia until 12 July 2016, although it has always traded under the name Southbank Sinfonia. The name Southbank Sinfonia is used throughout this report, as in previous years. The Trustees' report also acts as the Directors' report for the purposes of company law.

### Registered Office

St John's Waterloo

Waterloo Road

London

SE1 8TY

### Bankers

Barclays Bank

2 Victoria Street

London

SW1H 0ND

### Music Director & Principal Conductor

Simon Over

### Investment Managers

EFG Private Bank Limited

Leconfield House

Curzon Street

London

W1J 5JB

### Managing Director

James Murphy (until 29 June 2018)

William Norris (from 18 July 2018)

### Solicitors

Withers LLP

16 Old Bailey

London

EC4M 7EG

### Finance Director

Jan Bonar (until 8 October 2018)

Sarah Whitston (from 8 October 2018)

### Independent Auditors

Arnold Hill & Co LLP

Craven House

16 Northumberland Avenue

London

WC2N 5AP

### Development Director

Claire Goddard (from 22 January 2018)

### Communications Director

Matt Belcher

### Company Secretary

Jan Bonar (until 8 October 2018)

Sarah Whitston (from 8 October 2018)



## TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT)

### OBJECTIVES AND ACTIVITIES

Southbank Sinfonia is an orchestra of young professionals described by *The Times* as 'a dashing ensemble who play with exhilarating fizz, exactness and stamina'. Each year, the orchestra welcomes some of the world's most promising graduate musicians to embark on its renowned fellowship. More than just an orchestra, this is a community where young talents can find their own creative strengths, fulfil personal goals, make lasting contacts, and take their musicianship to new frontiers.

The charitable objectives of Southbank Sinfonia encompass:

1. Relieving unemployment particularly among young musicians
2. Educating the public in the art of music principally through orchestral projects and performances
3. Relieving poverty among young musicians including the provision of grants and bursaries

Southbank Sinfonia aims to achieve these as follows: through an annual audition and interview process, 33 outstanding graduate players are selected from over 350 applicants to undertake an intensive nine month programme of performance and professional development. Every place in this fellowship is free, and bursaries are awarded to everyone granted a place, contributing significantly towards living expenses, allowing musicians to benefit whatever their financial background. Players are given unparalleled opportunities to perform and gain crucial experience in orchestral repertoire, chamber music, opera, dance and theatre. Alongside this, a range of activities embracing leadership and teamwork provide each musician with the skills they need to pioneer their own future musical ventures.

Integral to the programme are partnerships with leading performing arts organisations including the Royal Opera House, National Theatre, Academy of St Martin in the Fields, and acclaimed artists such as Patrons Vladimir Ashkenazy and Edward Gardner. Performing side-by-side with world-class artists gives Southbank Sinfonia's musicians first-hand experience of what it takes to be a professional today.

Musicians who have completed the fellowship occupy prominent seats in leading orchestras worldwide. From the Philharmonia to the Hong Kong Philharmonic, each proudly acknowledges the positive impact that Southbank Sinfonia has made upon their progress. Former members return regularly to enable the orchestra to undertake larger-scale symphonic repertoire, share their insights with those following in their footsteps, and undertake distinctive projects of their own.

Since the orchestra's launch in 2002, it has generated well over £5 million that has gone directly into young musicians' pockets, transforming their livelihood through the bursaries granted to all those on the fellowship and full fees provided in all consequent opportunities. Few other institutions worldwide give young artists such a footing. In the current economic climate, this makes Southbank Sinfonia a great British success story of which the nation may feel rightly proud.

The Trustees have had regard to Charity Commission guidance on public benefit. The orchestra publically delivers close to a hundred broad-ranging, high-level performances annually. The orchestra is based at St John's Waterloo, in the heart of London, where its regular free Rush Hour concerts give many people their first experience of live orchestral music. By virtue of their youth, energy and excellence, Southbank Sinfonia players not only bring fresh resonance to the stage but are also ideally placed to act as role models who inspire many younger musicians in projects on London's Southbank and further afield.



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To make all this happen, a dedicated management team works across all areas of planning, operations, fundraising, marketing, and education, reporting regularly to Trustees on progress. The charity welcomes occasional volunteers such as students and graduates as paid interns, eager to gain experience in music administration, and supporters of the orchestra willing to lend their time where they can.

Southbank Sinfonia strives for all projects to be rewarding for those taking part. All players are warmly encouraged to share their views on each initiative at any time and in dedicated individual progress meetings with staff. In fortnightly team meetings, monthly strategy and fundraising meetings, and in quarterly Trustee meetings, the organisation collectively reflects on what has been learned from each activity and resolutions are made for the future.

Receiving no public funding, the orchestra undertakes extensive fundraising outlined in the Financial Review that follows. We are consequently indebted to many treasured individual donors, trusts and foundations, and corporate supporters who believe in the potential of the orchestra's young musicians. Southbank Sinfonia has one wholly-owned trading subsidiary company, Southbank Sinfonia Ventures Limited, through which a range of engagements is undertaken involving players who have completed the fellowship. The virtue of this is two-fold: it provides valued further experience and income for these musicians as they establish their careers; meanwhile, all profits generated by Southbank Sinfonia Ventures Limited are donated by Gift Aid to Southbank Sinfonia. The results of this subsidiary company are consolidated into those of the charity within this document.

Southbank Sinfonia also benefits from the existence of its 'sister' charity, Southbank Sinfonia Foundation ('the Foundation'), registered charity no. 1169535. The Foundation, incorporated in 2016 under entirely separate governance arrangements to Southbank Sinfonia, was created to ensure the orchestra may reach further significant milestones, helping transform young musicians' prospects long into the future. It is hoped the Foundation – by accruing further major gifts and potential legacies – may underpin and fortify what the orchestra is able to achieve in the long term, safeguarding the vital role it has come to play in Britain's musical ecology. The charitable objects of the Foundation are closely aligned to those of Southbank Sinfonia. The Foundation's funds are managed by a separate body of Trustees to the main charity and are therefore not freely accessible to Southbank Sinfonia, which must submit applications for consideration by the Foundation Trustees if it wishes to access the funds for significant strategic development activity. The results of the Foundation are therefore not consolidated into those of the charity within this document.

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### ACHIEVEMENTS AND PERFORMANCE

2018 was a remarkable year for Southbank Sinfonia, building upon the huge success of our 15<sup>th</sup> Birthday in 2017. The year saw many notable firsts, as well as the continuation of our remarkable partnership with the National Theatre, and a continuing building of the organisation's profile both within the UK and internationally.

Across the year, the fellowship gave over 50 performances, with approximately 10 more by ensembles formed from our Alumni. In addition to this some Alumni musicians participated in a 62-performance run of *Amadeus* at the National Theatre.

#### Artists and Repertoire

During the year we were thrilled to work alongside a fantastic array of guest conductors alongside our titled artists, Simon Over, Eugene Lee, Rebecca Miller and David Corkhill. Of particular note were visits from Jessica Cottis, Karin Hendrikson, James Hendry, and Jonathan Bloxham. Alongside these we were thrilled to welcome Gabor Takács-Nagy for his incredible debut with us – a real highlight of the year and towards the end of the season we were so pleased to have Patron Vladimir Ashkenazy return, who conducted us in two performances, at the Barbican's Milton court and also in Guernsey. We were also very excited to be reunited with the remarkable saxophonist Jess Gillam, as we helped her prepare for her BBC Last Night of the Proms performance.

Repertoire covered during the year was typically varied. We performed core classical symphonies by Mozart and Haydn with Gabor Takács-Nagy, Beethoven's Symphony No. 9 with James Hendry, and later repertoire including Saint-Saëns' Symphony No. 3 'Organ' with Simon Over. Contemporary music was not neglected with the year featuring a wealth of 20<sup>th</sup> and 21<sup>st</sup> century works including the world premiere of Cheryl Frances-Hoad's piano concerto *Between the Skies, the River and the Hills*.

#### #ConcertLab

Our #ConcertLab series, which seeks to ask questions of and redefine the concert experience, returned for a second year. We experimented with lighting, immersive theatre, a Jools-Holland style multi-stage set up for a chamber concert, blindfolding the audience, projections, and we ended the year in style with NightClub – an hour of propulsive music in a nightclub style setting with interludes from an electronic artist. The series continues to provoke debate, spark ideas, and attract attention from the public and across the sector.

#### Female Composers

Southbank Sinfonia and outgoing Managing Director James Murphy have been highlighting the inequalities present within classical music for female composers and artists for some while now, to great impact. Southbank Sinfonia continues to be a trailblazer in this area. 2018 saw us work with five outstanding female conductors and our programming has heightened often unjustly neglected female composers. During the year we played music from no less than 20 female composers, ranging from often-ignored composers from past centuries such as Louise Ferrenc right through to contemporary composers including Dani Howard and Kate Whitley.

#### Partnerships

Southbank Sinfonia and its musicians benefit from a number of truly outstanding partnerships. 2018 saw the continuation of collaborations with the Royal Opera House, Academy of St Martin in the Fields, London Handel Festival, and National Theatre, and it also saw the start of a new relationship with the Wigmore Hall learning team. The year also saw us undertaking acoustic testing of the new Linbury Studio theatre at the Royal Opera House including a concert for invited guests.



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### **Berlin**

A highlight of the year was our tour to Berlin, to appear in the Young Euro Classic Festival. Our concert at the legendary Berlin Konzerthaus played to a capacity audience and was extremely well received in the hall and by the organisers. We were also thrilled that it was streamed live and was available to watch online for a month after. The performance was attended by the British Council and contributed greatly towards raising our profile. We hope to return at some point to the festival. Thanks must be paid to all those who contributed to our Berlin appeal and whose support made the appearance possible.

### **Varmints**

In April we were delighted to continue our partnership with composer Anna Meredith, performing an orchestrated version of her studio album *Varmints*. The sold-out performance formed part of the Queen Elizabeth Hall reopening celebrations and was a hit with audience and critics alike. The success of the performance led to invitations for repeat performances from the Edinburgh International Festival in August, and Birmingham's Town Hall in October. It is hoped that future performances may materialise for which we would likely employ the 2018 alumni orchestra.

### **Recording**

Thanks to the efforts of pianist Ivana Gavrić we were able to give our 2018 Fellows the valuable experience of participating in a studio recording. We worked with Ivana and conductor Karin Hendrikson on this project which included Haydn's Piano Concerto No. 11 and the commissioned piano concerto by Cheryl Frances-Hoad. The resulting recording will be released in September 2019.

### **Family Concerts**

2018 saw our Family Concerts relocate to Southbank Centre's Queen Elizabeth Hall, part of a new on-going partnership. Our first two events here have been a huge success, with the audience building enormously from the first to second. The performances are entirely devised and presented by the musicians themselves - there is no animateur or presenter as in most other orchestras' family concerts - which makes these events truly unique.

### **Artist Development**

Our intensive programme of artist development activity is central to what we do and to ensuring that our musicians leave Southbank Sinfonia prepared for the demands made of a musician in the 21<sup>st</sup> century. The programme of development activity included a residential course at the new location of the Purcell School, a public speaking workshop with Patricia Hodge, health and wellbeing activities and a new day-long workshop with the Wigmore Hall learning team. Added to this we participated in education and outreach activities with partner organisations such as In Harmony Lambeth.



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### FUTURE PLANS

Our 2019 Orchestra was largely in place by the end of the 2018 calendar year and we have an exciting year of activity planned. Particular artist and repertoire highlights of the year include a reprise of our collaboration with the London Concert Choir, performing music by Strauss and Brahms at the Barbican Centre, Christian Curnyn conducting a programme of Rameau and Haydn, Simon Over conducting Brahms' Symphony No. 1 in London and Marlborough, Jessica Cottis conducting Sibelius Symphony No.5, the return of Gabor Takács-Nagy in a high-profile concert at the Queen Elizabeth Hall, Eugene Lee making his conducting debut with us, and Sian Edwards leading an all-Weill programme. The year finishes in style with Simon Over conducting Elgar's *Dream of Gerontius* in Coventry and London.

Our Family Concerts continue, with two being performed at the Queen Elizabeth Hall, and we present some of our chamber music in a different way this year, spread across three 30-minute 'mini concerts' at the Purcell Room.

#ConcertLab returns, now in its own right outside of our Rush Hour format. Events will include our debut at Hackney's Oval Space with an immersive performance of Beethoven's Symphony No. 3 'Eroica'.

Our partnership with the Royal Opera House will continue with a particular highlight being performances of Henze's *Phaedra* at the comprehensively refurbished Linbury Studio Theatre.

Another new partnership starts during the year, between ourselves, Radio 3, the BBC Concert Orchestra, and Southbank Centre. We will be one of two orchestras leading a new series of a live concert version of Radio 3's Unclassified programme. The debut performance conducted by André de Ridder will be on 29 September and will be broadcast.

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### FINANCIAL REVIEW

In 2018, though income increased by £31,518 to £1,235,155 (2017: £1,203,637), Southbank Sinfonia incurred a deficit of £106,701 (2017: £42,992 surplus).

This resulted in a reduction of £107,702 in unrestricted funds (which included designated funds towards 2018-specific activity) and an increase of £1,001 held in restricted funds.

Expenditure towards achieving the charitable aims increased by £74,199 in 2018, reflecting the inclusion of touring projects such as the Young Euro Classic Festival in Berlin and Anna Meredith's *Varmints* in Edinburgh and Birmingham, whilst expenditure in meeting the fundraising needs of the charity only increased by £12,987.

The charity continued to draw benefit from the commercial activity of wholly-owned trading subsidiary company Southbank Sinfonia Ventures Limited, the results of which are consolidated into these accounts. This exists to generate income for the benefit of the parent charity, by fielding musicians for commercial performances and managing corporate sponsorship arrangements; the turnover in the trading subsidiary increased in 2018 at £387,054 (2017: £339,939), and this commercial activity generated a surplus of £116,289 for the benefit of the core charitable activity. Much of the work undertaken by Southbank Sinfonia Ventures Limited provides valuable paid performance opportunities for players who have completed Southbank Sinfonia's annual fellowship, indirectly providing further benefit towards the organisation's charitable objects (see page 2).

Southbank Sinfonia continues to rely strongly on much-appreciated voluntary contributions towards its charitable activities from trusts and foundations, a growing family of enthusiastic and active individual supporters, and a small number of corporate donors and sponsors, who together provided 75% of the charity's funding in 2018 (2017: 77%). The surplus generated by the commercial activities of Southbank Sinfonia Ventures Limited, together with the moderate income from charitable activities provided 22% of the charity's income (2017: 20%), with the remaining 3% generated by our listed investments (2017: 3%). The investment portfolio generated an improved cash return in 2018 compared to previous years, however, it also made a large unrealised investment loss so it is hoped that this will be recovered in 2019. In 2017, Trustees instructed the charity's investment managers to implement an ethical investment policy, to reduce the possibility of investing in entities whose values and activities are contrary to the charitable objects of the organisation.

Southbank Sinfonia spent down the portion of its restricted funds which were held for 2018 projects, most notably grants from The Jerwood Charitable Foundation to develop our #ConcertLab series, and from the PRS Resonate Fund for our work on discovering Dorothy Howell's compositions.

In 2018, following a review of our Adopt-A-Player scheme and to better reflect the deliberate donor support of specific individual players, it was decided that when a donation of a bursary amount was received, it should be treated as restricted income. By ring-fencing these bursary donations in this manner, the Trustees feel that the intention to support the players with whom the donors are 'paired' is truly reflected and respected.

Therefore the total of restricted income funds, not available for the general purposes of the charity, at year end has increased to £219,052 (2017 restated comparative: £200,326).

Trustees are grateful to Dr. Elman Poole for his support which will enable the orchestra to fund bursaries for up to two Scottish musicians a year for several years hence. Southbank Sinfonia also gratefully acknowledges grants received in 2018 from Cockayne – Grants for the Arts and the London Community Foundation, The Humphrey Richardson Taylor Charitable Trust, and The Steel Charitable Trust towards 2019 work.

Additionally, in 2018, Southbank Sinfonia received grants totalling £23,672 from Southbank Sinfonia Foundation, (2017: £61,225), of which £5,377 is restricted for 2019 activity, towards various projects all intended to further the scope and profile of the orchestra beyond its regular work.



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The Trustees have calculated that the level of liquid unrestricted reserves held by the charity should optimally be in the region of £325,000-£375,000, specifically to enable the organisation to manage the on-going risks of cash flow volatility and challenging fundraising targets in the absence of receipt of any statutory funding. At year end of 2018, having spent down the funds designated in 2017, the charity's total unrestricted funds stood at £340,087, including the balance of 2017 designated funds.

At the end of 2018, two funds remained designated towards future planned expenditure:

- the 'Joan Coull Soloists Fund', with a balance of £38,953 at year end, which exists thanks to a generous legacy gift received in 2016 to enable the orchestra to work with singers and concerto soloists over a period of years
- a 'Fixed Assets and Investments Fund' of £55,588 which represents the net book value of unrestricted fixed assets and unrestricted unlisted investments, which are not available as liquid funds for the charity, and which will cover the cost of future depreciation of these assets.

Consequently, the level of liquid unrestricted reserves available for management of risks currently sits at £245,546, £79,454 below the target reserves range. Rebuilding these reserves by the continued development of new income streams will be a priority in 2019 and beyond.

The orchestra draws benefit from a held endowment fund which exists as the result of a donation in 2008 of £250,000 from the Foundation for Sport and the Arts, providing an expendable endowment with the restriction that both the capital, if spent, and any generated income must be used towards funding bursaries for British members of the orchestra. This is presently invested to generate a modest on-going income stream for the orchestra, but using some of this capital towards funding bursaries for British players remains an option should the level of reserves prove insufficient in the future. At year end, the balance of the expendable endowment fund, not available for the general purposes of the charity, stood at £229,912.

The principal financial risks and uncertainties facing the charity relate to inherent reliance on voluntary donations, and the resulting cash flow impact. The subsidiary is also subject to cash flow risks. The Trustees maintain a comprehensive risk register, which sets out the steps taken to mitigate such risks, and the management of any critical situation which could foreseeably occur as a result of these risks. These actions include creating detailed monthly management accounts, including cash flow forecasts for both the charity and subsidiary, strong communication between the finance and fundraising teams, and the setting of prudent fundraising targets during the annual budgeting process.



## SOUTHBANK SINFONIA

TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 DECEMBER 2018

### STRUCTURE, GOVERNANCE AND MANAGEMENT

Southbank Sinfonia is a company limited by guarantee governed by its Memorandum and Articles of Association (dated 6 December 2001, and amended 16 December 2015). It is registered as a charity with the Charity Commission. The Trustees also act as Directors for the purposes of company law and hold no share capital. There are currently three members and the liability of each in the event of a winding-up is limited to £10. The entity is governed by a board of Trustees. The Trustees determine the long term direction and strategy of the organisation and delegate the day to day running to the Managing Director and management team. This division of responsibilities is recorded in a reservation of authority document. As noted above, the Trustees have carried out a thorough review of the strategic and operational risks faced by the charity, and annually monitor the measures in place to manage exposure to these risks. The procedures for appointing new Trustees and the reference and administrative details can be found on page 3 of this document.

Remuneration of key management personnel is set in the context of the charity's remuneration policy. The Chair of the board, in consultation with other Trustees as appropriate, is responsible for setting the remuneration of the Managing Director and Music Director. The Managing Director is responsible for setting the remuneration of the Finance Director, Development Director, Communications Director and all other staff. Consideration is given to commensurate jobs in arts charities of a similar scale, and overall budgetary context when setting levels of pay.

2018 saw significant change to the leadership and management of the organisation. During the first six months of the year Southbank Sinfonia welcomed new staff including Development Director Claire Goddard, Development Manager Robin Easton, Orchestra Assistant and Librarian Felix Lo and Marketing Manager Sam Olivier. In June, after over six years in post James Murphy stepped down as Managing Director. In July, William Norris, formerly Managing Director of Tafelmusik Baroque Orchestra in Toronto, Canada, joined as the new Managing Director. October saw the departure of long-standing Finance Director Jan Bonar, and Southbank Sinfonia has been very happy to have Sarah Whitston join in her place. Lastly, in December Marcus Norman joined as the new Artist Development Manager and Tom Hickman took up the role of Orchestra Manager.

The results of the wholly owned trading subsidiary Southbank Sinfonia Ventures Limited are consolidated within these financial statements. Southbank Sinfonia Ventures Limited is a company limited by shares and has four directors, two of whom are also directors of Southbank Sinfonia.

The Trustees are aware of the new Charity Governance Code, launched in mid-2017, and are planning a thorough Board Review in the course of 2019 following the recruitment of a new Chair. This will ensure the charity's governance arrangements take into account the recommendations of best practice identified by the Code, and to establish any areas for further development.

After many years of loyal service, guidance, and insight, the Trustees said thank you and goodbye to long-serving trustee Geoff Filkin, who stepped down from the board in September 2018.

In February 2019, Chairman Sean Finnan resigned after 9 years on the board: the Trustees thank him for his wisdom and leadership, and wish him well in his future ventures.

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### RESPONSIBILITIES OF THE TRUSTEES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards including FRS 102 the "Financial Reporting Standard applicable in the UK and Ireland".

The law applicable to charities in England and 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 period. In preparing these financial statements, the Trustees are required to:

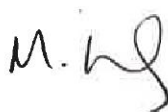
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for the prevention and detection of fraud and other irregularities.

By order of the Trustees.



Michael Berman  
Trustee



Mindy Kilby  
Trustee

Date: 01/05/2019



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHBANK SINFONIA**

### **OPINION**

We have audited the financial statements of Southbank Sinfonia for the year ended 31 December 2018 set out on pages 14 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective 1 January 2015) (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 2018 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **OTHER INFORMATION**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a



## **SOUTHBANK SINFONIA**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHBANK SINFONIA FOR THE YEAR ENDED 31 DECEMBER 2018**

material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **RESPONSIBILITIES OF THE TRUSTEES**

As explained more fully in the Statement of Trustees' Responsibilities, 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 cease operations, or have no realistic alternative but to do so.

#### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **OTHER MATTERS WHICH WE ARE REQUIRED TO ADDRESS**

Your attention is drawn to the fact that the charity has prepared accounts in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" in preference to the Accounting and Reporting by Charities:

## SOUTHBANK SINFONIA

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHBANK SINFONIA FOR THE YEAR ENDED 31 DECEMBER 2018

Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act and Chapter 3 of section 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its members as a body, for our audit work, for this report, or for the opinions we have formed.

*S. Clegg*

**Stephanie Clegg (Senior Statutory Auditor)**  
**For and on behalf of Arnold Hill & Co LLP**

**Date:** 27/6/19

**Chartered Accountants**  
**Statutory Auditor**

Craven House  
16 Northumberland Avenue  
London  
WC2N 5AP  
United Kingdom

# SOUTHBANK SINFONIA

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)  
FOR THE YEAR ENDED 31 DECEMBER 2018

## AUDITED FINANCIAL STATEMENTS CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	Notes	Unrestricted Funds	Restricted Funds	Expendable Endowment Fund	Total funds 31-Dec-2018	Total funds 31-Dec-2017 (as restated) (note 5)
		£	£	£	£	£
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	2	418,174	307,572	-	725,746	764,327
Other trading activities						
Trading subsidiary company	3	387,054	-	-	387,054	339,939
Investments	6	11,456	1,772	10,899	24,127	17,381
Charitable activities						
Ticket sales		39,459	-	-	39,459	51,753
Performance and project income		58,769	-	-	58,769	30,237
<b>TOTAL INCOMING RESOURCES</b>		<b>914,912</b>	<b>309,344</b>	<b>10,899</b>	<b>1,235,155</b>	<b>1,203,637</b>
EXPENDITURE ON:						
Raising funds						
Costs of generating voluntary income	9	123,453	1,064	-	124,517	111,530
Trading subsidiary company	3	262,265	-	-	262,265	216,855
Charitable activities	7/8	619,556	286,790	10,899	917,245	843,046
<b>TOTAL RESOURCES EXPENDED</b>		<b>1,005,274</b>	<b>287,854</b>	<b>10,899</b>	<b>1,304,027</b>	<b>1,171,431</b>
Net losses on investments	13b	(17,340)	(2,764)	(17,725)	(37,829)	10,786
Net incoming resources before other recognised gains/(losses)		(107,702)	18,726	(17,725)	(106,701)	42,992
<b>NET INCOME/(EXPENDITURE) &amp; NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>(107,702)</b>	<b>18,726</b>	<b>(17,725)</b>	<b>(106,701)</b>	<b>42,992</b>
Fund balances brought forward (as restated)	1.12	449,389	200,326	247,637	897,352	854,360
<b>FUND BALANCE AS AT 31 DECEMBER 2018</b>		<b>341,687</b>	<b>219,052</b>	<b>229,912</b>	<b>790,651</b>	<b>897,352</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.  
There is no liability for corporation tax on activities.  
The notes on pages 17 to 26 form part of these financial statements.



**SOUTHBANK SINFONIA**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**


	Notes	Group 2018 £	Charity 2018 £	Group 2017 (as restated) £	Charity 2017 (as restated) £
<b>FIXED ASSETS</b>					
Tangible assets	12	32,362	32,362	41,684	41,645
Unlisted investments	13	23,125	23,225	23,125	23,225
Listed investments	13	502,930	502,930	478,357	478,357
Cash held as part of investment portfolio	13a	10,663	10,663	2,181	2,181
		<u>569,080</u>	<u>569,180</u>	<u>545,347</u>	<u>545,408</u>
<b>CURRENT ASSETS</b>					
Debtors and prepayments	15	97,036	143,503	92,989	130,220
Cash at bank and in hand	14	162,911	106,254	338,184	247,452
		<u>259,947</u>	<u>249,757</u>	<u>431,173</u>	<u>377,672</u>
<b>CREDITORS</b>					
Amounts falling due within one year	16	(38,376)	(28,286)	(79,168)	(25,728)
<b>NET CURRENT ASSETS</b>		<u>221,571</u>	<u>221,471</u>	<u>352,005</u>	<u>351,944</u>
<b>NET ASSETS</b>		<u>790,651</u>	<u>790,651</u>	<u>897,352</u>	<u>897,352</u>
Represented by:					
<b>Unrestricted Funds</b>					
General fund	19	247,146	247,146	263,350	263,350
Designated fund	19	94,541	94,541	186,039	186,039
<b>Restricted Funds</b>					
Restricted income fund	20	219,052	219,052	200,326	200,326
Expendable endowment fund	20	229,912	229,912	247,637	247,637
<b>TOTAL FUNDS</b>		<u>790,651</u>	<u>790,651</u>	<u>897,352</u>	<u>897,352</u>

The notes on pages 17 to 26 form part of these financial statements.

These financial statements were approved by the Directors and authorised for issue on 01 May 2019 and are signed on their behalf by:



**Michael Berman**  
**Trustee**  
 Company Registration Number 04335616



**Mindy Kilby**  
**Trustee**

## CONSOLIDATED STATEMENT OF CASHFLOWS

	Group 2018	Charity 2018	Group 2017 (as restated)	Charity 2017 (as restated)
	£	£	£	£
<b>Cash flows from operating activities</b>				
Net income for the reporting period, as per the Statement of Financial Activities	(106,701)	(106,701)	42,992	42,992
<b>Adjustments for:</b>				
Depreciation charges	12,807	12,768	10,479	10,204
Unrealised Loss/(Gain) on investments	34,232	34,232	(10,371)	(10,371)
Dividends and interest from investments	(24,282)	(24,127)	(17,625)	(17,381)
Loss/(Gain) on sale of fixed asset investments	3,596	3,596	(415)	(415)
(Increase)/Decrease in trade & other debtors	(4,047)	(13,283)	34,929	88,012
(Decrease)/Increase in trade & other creditors	(40,792)	2,558	9,663	10,581
<b>Net cash provided by/(used in) operating activities</b>	<b>(125,187)</b>	<b>(90,957)</b>	<b>69,652</b>	<b>123,622</b>
<b>Cash flows from investing activities</b>				
Dividends and interest from investments	24,283	24,128	17,625	17,381
Purchase of fixed assets	(3,485)	(3,485)	(33,985)	(33,985)
Purchase of investments	(70,884)	(70,884)	-	-
<b>Net cash used in investment activities</b>	<b>(50,086)</b>	<b>(50,241)</b>	<b>(16,360)</b>	<b>(16,604)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(175,273)</b>	<b>(141,198)</b>	<b>53,292</b>	<b>107,018</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>338,184</b>	<b>247,452</b>	<b>284,892</b>	<b>140,434</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>162,911</b>	<b>106,254</b>	<b>338,184</b>	<b>247,452</b>

There were no cash flows from financing activities in the reporting period.  
The notes on pages 17 to 26 form part of these financial statements.



## NOTES TO THE ACCOUNTS

### 1 ACCOUNTING POLICIES

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Southbank Sinfonia meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared under the historical cost convention modified to include certain financial instruments at fair value. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). Listed investments are held at fair value.

The financial statements are prepared in sterling which is the financial currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

#### 1.2 Going concern

These financial statements have been prepared on the going concern basis. In making this assessment, the charity's Trustees have considered all available information about the future for at least, but not limited to, 12 months from the date the financial statements are approved. There are no material uncertainties regarding the charity's ability to continue. The charity produces detailed cashflow forecasts and budgets, and has a small number of multi-year pledges, which provide certainty over future revenue streams.

#### 1.3 Significant judgements and estimations

The Trustees have given consideration to the significant judgements and estimates made in compiling the financial statements. The Trustees do not consider estimates or judgements made to be material to the financial statements. Accruals are made when activity has occurred for which a cash outflow is expected, but for which no invoice has been received. Estimates are based on prior experience and knowledge.

#### 1.4 Statement of cash flows

The entity has prepared a statement of cash flows using the indirect method and this is presented on page 13 of the financial statements.

#### 1.5 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. Cash held by investment managers is included in fixed asset investments.

#### 1.6 Pensions

Southbank Sinfonia provides a pension scheme for employees, which is run by NEST. It is a defined contribution scheme, open to all employees, and meets the requirements of auto-enrolment. The employer contributions are recognised in expenditure for the year, and there are no liabilities resulting from the scheme.

### **1.7 Financial instruments**

As per the definition of FRS 102, the charity makes use of only basic financial instruments which are initially recognised at transaction value and subsequently measured at settlement value. Financial instruments held by the entity comprise debtors, creditors and cash.

### **1.8 Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the charity and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. The financial statements consolidate the results of the charity and its wholly-owned subsidiary Southbank Sinfonia Ventures Limited on a line-by-line basis. A separate Statement of Financial Activities, and Income and Expenditure Account, for the charity itself are not presented because the charity has taken advantage of the exemptions afforded by FRS102. The individual results for the subsidiary company are included in note 3 and for the charity in note 4 below.

### **1.9 Incoming resources**

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Performance income is recognised at the time the performance takes place.

Legacy income is recognised at the earliest date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

### **1.10 Resources expended**

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Support costs are those incurred directly in support of expenditure on the objects of the charity and includes salary costs and other costs of running the offices at St John's Church, Waterloo. Support costs also incorporate governance costs. Where possible, costs are directly allocated to activities. Remaining costs are apportioned to the charitable activities based on staff time or floor area, as appropriate.

### **1.11 Fund accounting**

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

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are to be used for specific purposes as laid down by the donor.

### **1.12 Restriction of "Adopt A Player" scheme bursary donations**

Donations of the annual bursary amount as part of the "Adopt a Player" scheme from 2019 onwards will be treated as restricted funds to reflect the donors' intentions in personally supporting individual players.

The prior year figures have been restated for comparative purposes, reflecting a change of £61,650 from unrestricted to restricted funds.



Any excess donation over and above the bursary amount will be treated as unrestricted funds to support the further costs of the charitable objects which enable musicians to take their place each year in Southbank Sinfonia.

#### **1.13 Fixed asset investments**

Fixed asset investments in subsidiary companies are stated at cost less amounts provided for any permanent diminution in value.

Unlisted investments are included at fair value as at the date of donation less any impairment of value.

Listed investments are held at their fair value at the balance sheet date.

#### **1.14 Tangible fixed assets and depreciation**

Tangible fixed assets are capitalised at cost and depreciated on a straight-line basis over their estimated useful lives as follows:

Office equipment	2 – 3 years
Fixtures and fittings	4 years
Instruments	5 years
Steinway piano	10 years
Performance lighting	5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the income and expenditure account.

#### **1.15 Taxation**

No provision has been made for taxation as the entity is a public benefit entity which is exempt from UK direct taxation on its charitable activities. The trading subsidiary is subject to tax at the small companies rate, and any tax suffered is shown as a cost of generating funds within the subsidiary.

#### **1.16 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.17 Significant judgements and estimates**

In the Trustees' opinion there have been no significant judgements and estimates made in compiling the financial statements.

**SOUTHBANK SINFONIA**  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

**2 DONATIONS AND LEGACIES**

	Unrestricted Funds £	Restricted Funds £	2018 £	2017 (as restated) £
Legacies	7,000	-	7,000	51,153
Donations	411,174	307,572	718,746	713,174
	<b>418,174</b>	<b>307,572</b>	<b>725,746</b>	<b>764,327</b>

**3 INCOMING RESOURCES FROM OTHER TRADING ACTIVITIES**

The wholly owned trading subsidiary Southbank Sinfonia Ventures Limited, which is incorporated in England (Company Number 05737116) pays all its profits to the charity by Gift Aid. There are no retained profits in the subsidiary. Southbank Sinfonia Ventures Limited performs orchestral and chamber music. Southbank Sinfonia owns the entire share capital of 100 ordinary shares of £1 each. A summary of the trading results is shown below:

	2018 £	2017 (as restated) £
Turnover	387,054	339,939
Cost of sales & administration expenses	(262,265)	(216,855)
Net profit	124,789	123,084
Intragroup recharges	(8,500)	(8,500)
Amount gifted to charity under Gift Aid	(116,289)	(114,584)
Retained in subsidiary	-	-
Aggregate share capital and reserves	<b>100</b>	<b>100</b>

**4 THE SUMMARY FINANCIAL PERFORMANCE OF THE CHARITY ALONE IS:**

	2018 £	2017 (as restated) £
Income	856,601	872,198
Gift Aid from subsidiary company	116,289	114,584
	972,890	986,782
Expenditure on charitable activities	(1,041,762)	(954,576)
Net income before investment movement	(68,872)	32,206
Investment movement	(37,829)	10,786
Net income	(106,701)	42,992
Total funds brought forward	897,352	854,360
Total funds carried forward	<b>790,651</b>	<b>897,352</b>
Represented by:		
Restricted income funds	448,964	386,313
Unrestricted income funds	341,687	511,039
	<b>790,651</b>	<b>897,352</b>



## 5 FULL STATEMENT OF FINANCIAL ACTIVITIES 2017 (FUND ACCOUNTING)

This note incorporates the restatement of restricted and unrestricted funds as per note 1.12.

	Unrestricted Funds (as restated) £	Restricted Funds (as restated) £	Expendable Endowment Fund £	Total funds 31-Dec-2017 (as restated) £
<b>INCOME AND ENDOWMENTS FROM:</b>				
Donations and legacies	508,148	256,179	-	764,327
Other trading activities				
Trading subsidiary company	339,939	-	-	339,939
Investments	7,167	1,324	8,890	17,381
Charitable activities				
Ticket sales	51,753	-	-	51,753
Performance and project income	30,237	-	-	30,237
<b>TOTAL INCOMING RESOURCES</b>	<b>937,244</b>	<b>257,503</b>	<b>8,890</b>	<b>1,203,637</b>
<b>EXPENDITURE ON:</b>				
Raising Funds				
Costs of generating voluntary income	105,671	5,859	-	111,530
Trading subsidiary company	216,855	-	-	216,855
Charitable activities	619,014	215,142	8,890	843,046
<b>TOTAL RESOURCES EXPENDED</b>	<b>941,540</b>	<b>221,001</b>	<b>8,890</b>	<b>1,171,431</b>
Net gains on investments	4,552	676	5,558	10,786
Net incoming resources before other recognised gains	256	37,178	5,558	42,992
<b>NET INCOME/EXPENDITURE &amp; NET MOVEMENT IN FUNDS FOR THE YEAR</b>	<b>256</b>	<b>37,178</b>	<b>5,558</b>	<b>42,992</b>
Fund balances brought forward	449,133	163,148	242,079	854,360
<b>FUND BALANCE AS AT 31 DECEMBER 2017</b>	<b>449,389</b>	<b>200,326</b>	<b>247,637</b>	<b>897,352</b>

## 6 INVESTMENT INCOME

Charity	Unrestricted Funds £	Restricted Funds £	Expendable Endowment Fund £	2018 £	2017 (as restated) £
Bank interest receivable	342	-	-	342	137
Income from investments	11,114	1,772	10,899	23,785	17,244
	<b>11,456</b>	<b>1,772</b>	<b>10,899</b>	<b>24,127</b>	<b>17,381</b>

## 7 CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Direct Costs £	Staff Costs £	Support Costs £	2018 £	2017 (as restated) £
Bursaries to relieve students of poverty	271,968	24,591	11,935	308,494	285,238
Performance of orchestral music	162,606	118,829	57,668	339,103	299,657
Education and training	90,807	120,407	58,434	269,648	258,151
	<b>525,381</b>	<b>263,827</b>	<b>128,037</b>	<b>917,245</b>	<b>843,046</b>

**SOUTHBANK SINFONIA**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**8 CHARITABLE ACTIVITIES BY FUND TYPE**

	Unrestricted Funds £	Restricted Funds £	Expendable Endowment Fund £	2018 £	2017 (as restated) £
Bursaries to relieve students of poverty	105,195	192,400	10,899	308,494	285,238
Performance of orchestral music	286,391	52,712	-	339,103	299,657
Education and training	227,970	41,678	-	269,648	258,151
	<b>619,556</b>	<b>286,790</b>	<b>10,899</b>	<b>917,245</b>	<b>843,046</b>

**9 COSTS OF GENERATING VOLUNTARY INCOME**

	2018 £	2017 (as restated) £
Direct costs	15,332	9,119
Staff costs	73,510	71,323
Support costs	35,675	31,088
	<b>124,517</b>	<b>111,530</b>

**10 SUPPORT COSTS**

	2018 £	2017 (as restated) £
Governance	38,186	31,751
Salaries	67,651	45,102
Marketing & publicity	1,449	467
Rent	15,796	33,353
Office/misc	16,871	16,105
Bank charges	915	167
Insurance	4,486	4,223
Professional fees	2,494	3,605
General travel & subsistence	3,172	2,070
Website development	8,811	10,340
Depreciation	3,880	2,309
	<b>163,711</b>	<b>149,492</b>

Governance costs include audit fees of £2,640 for the reporting period (2017: £2,640) and taxation services fees of £720 (2017: £1,440).

Fees of £450 (2017: £480) were paid by trading subsidiary Southbank Sinfonia Ventures Limited for taxation services.

Support costs (including governance) are apportioned among the three charitable activities and the cost of raising funds (notes 7 & 9). Governance costs are then separately identified as a distinct element of support costs in note 10.

Direct costs are allocated where ever possible. Remaining costs are apportioned on either the basis of staff time, floor area or, in the case of the website development costs, on the basis of proportion of webpages devoted to each activity.

**11 STAFF COSTS AND NUMBERS**

	2018 £	2017 (as restated) £
Group staff costs were as follows:		
Salaries and fees	395,273	367,608
Social security costs	35,915	32,826
Pension costs	6,851	3,668
	<b>438,039</b>	<b>404,102</b>



## 11 STAFF COSTS AND NUMBERS - Continued

The average total head count of employees during the reporting period was 14 (2017:13). This consisted of 11 full time employees, 1 full-time employee for a 6 month period and 2 part time employees. The estimated FTE is 12 (2017: 11.5)

Remuneration of £54,180 (2017: £54,000) was paid to S T Over, one of the Trustees, in his capacity as Music Director.

Mr S T Over received no remuneration for his role as a Trustee.

Authority for payment in his role of Music Director is contained in paragraph 5(7) of the Articles of Association. Pension contributions of £949 (2017: £540) were paid for by the charity in relation to Mr S T Over.

While acting in the capacity of a Trustee, no person received remuneration or reimbursement of expenses in either the current or previous accounting periods.

Total remuneration for key management personnel - Managing Director, Finance & Administration Director, Development Director and Communications Director - in the reporting period was £199,229 (2017: £155,083) including employer pension contributions of £3,141 (2017: £1,536).

No employees (2017: one employee) had emoluments in the band £60,000-£70,000 in the current reporting period.

## 12 TANGIBLE FIXED ASSETS

Group	Office Equipment	Fixtures & Fittings	Instruments	Steinway Piano	Performance Lighting	Total
	£	£	£	£	£	£
<b>COST:</b>						
At 1 January 2018	23,648	5,021	22,660	45,982	21,155	118,466
Additions	3,485	-	-	-	-	3,485
Disposals	-	-	-	-	-	-
At 31 December 2018	27,133	5,021	22,660	45,982	21,155	121,951
<b>DEPRECIATION:</b>						
At 1 January 2018	17,367	4,330	20,310	17,499	17,276	76,782
Charge for the period	3,652	228	2,050	2,998	3,879	12,807
Disposals	-	-	-	-	-	-
At 31 December 2018	21,019	4,558	22,360	20,497	21,155	89,589
<b>NET BOOK VALUE:</b>						
At 31 December 2018	6,114	463	300	25,485	-	32,362
At 31 December 2017	6,281	691	2,350	28,483	3,879	41,684
<b>Charity</b>						
	Office Equipment	Fixtures & Fittings	Instruments	Steinway Piano	Performance Lighting	Total
	£	£	£	£	£	£
<b>COST:</b>						
At 1 January 2018	19,674	5,021	21,284	45,982	21,155	113,116
Additions	3,485	-	-	-	-	3,485
Disposals	-	-	-	-	-	-
At 31 December 2018	23,159	5,021	21,284	45,982	21,155	116,601
<b>DEPRECIATION:</b>						
At 1 January 2018	13,393	4,330	18,973	17,499	17,276	71,471
Charge for the period	3,652	228	2,011	2,998	3,879	12,768
Disposals	-	-	-	-	-	-
At 31 December 2018	17,045	4,558	20,984	20,497	21,155	84,239
<b>NET BOOK VALUE:</b>						
At 31 December 2018	6,114	463	300	25,485	-	32,362
At 31 December 2017	6,281	691	2,311	28,483	3,879	41,645

**SOUTHBANK SINFONIA**  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

**13 FIXED ASSET INVESTMENT**

Charity	Investment in Subsidiary	Unlisted Investments	Listed Investments	Total
	£	£	£	£
NBV				
At 1 January 2018	100	23,125	478,357	501,582
Additions	-	-	268,687	268,687
Disposals	-	-	(209,882)	(209,882)
Revaluations	-	-	(34,232)	(34,232)
At 31 December 2018	<u>100</u>	<u>23,125</u>	<u>502,930</u>	<u>526,155</u>

**13a** Capital cash is cash held for investment purposes within the Investment Portfolio managed by EFG.

Fluctuations in the balance held are primarily as a result of the timing of sales and purchases of investments; proceeds from disposals are reinvested in listed investments. Capital cash is therefore not considered part of working capital management of the organisation, and is held, as per the FRS 102 SORP as a fixed asset.

**13b** Net gains on investments include all realised and unrealised losses. Unrealised losses were £34,233 (2017: £10,371 unrealised gain).

Realised losses on disposal of fixed asset investments were £3,596 (2017: £415 realised gain).

**13c** Group investments consist of only the listed, unlisted investments and capital cash held within the investment portfolio. The charity owns 100% of the ordinary share capital of Southbank Sinfonia Ventures Limited, a company incorporated in England and Wales. Its investment is 100 £1 ordinary shares.

The results of Southbank Sinfonia Ventures Limited have been incorporated into these consolidated accounts.

The individual results of Southbank Sinfonia Ventures Limited are shown in note 3 to these accounts.

Unlisted investments relate to shares in Singletrack Systems Limited.

**14 CASH AND CASH EQUIVALENTS**

	Group 2018	Charity 2018	Group 2017 (as restated)	Charity 2017 (as restated)
	£	£	£	£
Cash at bank and in hand	162,911	106,254	338,184	247,452
Total cash and cash equivalents	<u>162,911</u>	<u>106,254</u>	<u>338,184</u>	<u>247,452</u>

**15 DEBTORS**

	Group 2018	Charity 2018	Group 2017 (as restated)	Charity 2017 (as restated)
	£	£	£	£
Performance income	660	660	26,315	2,059
Income tax recoverable	25,103	25,103	10,680	10,680
Orchestra tax relief due	49,426	49,426	27,576	27,576
Other debtors and prepayments	21,847	19,296	28,418	27,176
Amounts due from subsidiary	-	49,018	-	62,729
	<u>97,036</u>	<u>143,503</u>	<u>92,989</u>	<u>130,220</u>

**16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group 2018	Charity 2018	Group 2017 (as restated)	Charity 2017 (as restated)
	£	£	£	£
Taxation and social security	10,228	10,228	10,046	10,046
Pension contributions	4,034	4,034	1,273	1,273
Student Loan Deductions Payable	89	89	-	-
Trade creditors	4,942	4,174	6,273	2,628
Other creditors and accruals	12,621	9,761	40,172	11,781
VAT liability	6,462	-	21,404	-
	<u>38,376</u>	<u>28,286</u>	<u>79,168</u>	<u>25,728</u>



**SOUTHBANK SINFONIA**  
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**17 RELATED PARTY TRANSACTIONS**

J M Berman and K P Verney, Trustees of Southbank Sinfonia throughout 2018, are also Trustees of The Vox Musica Trust. During the period the charity has received donations totalling £25,000 from The Vox Musica Trust (2017: £20,000). There were no outstanding balances at the period end (2017: nil).

The unlisted investments held on the balance sheet are a donation of 62,500 shares, received in 2014 from R Dobson, Trustee of Southbank Sinfonia until December 2015. These shares were in Singletrack Systems Limited and were received on 6 October 2014; J M Berman, Trustee of Southbank Sinfonia throughout 2017, is Chairman. Singletrack Systems Limited has indicated that a fair market market value of the shares around the time of the gift was 37p based on agreements reached with HMRC and reasonable discount rates.

In addition to the donations from The Vox Musica Trust, aggregate donations received from Trustees of the charity in the reporting period are £19,434 (2017: £23,285). There were no conditions attached to these donations.

Fees of £600 (2017: £450) were paid to J Berman, son of J M Berman and K P Verney, for his services as a guest conductor.

Related party transactions during the year between the Parent (Southbank Sinfonia) and Subsidiary (Southbank Sinfonia Ventures Limited) comprised £8,500 management charge levied by Southbank Sinfonia to Southbank Sinfonia Ventures Limited (2017: £8,500), of which no amounts were outstanding at year end.

Southbank Sinfonia Ventures Limited donates all profits to Southbank Sinfonia by Gift Aid. In 2018 these amounted to £116,289 (2017: £114,584). The net balance owed by Southbank Sinfonia Ventures Limited to Southbank Sinfonia at year end was £49,018 (2017: £62,729).

**18 COMPANY LIMITED BY GUARANTEE**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding-up is limited to £10. There are currently 3 members.

**19 UNRESTRICTED INCOME FUNDS**

Charity	Balance at 01-Jan-18 (as restated)	Incoming Resources & Revaluation	Outgoing Resources	Transfers	Balance at 31-Dec-18
	£	£	£	£	£
General fund	263,350	897,572	(913,776)	-	247,146
Designated fund - Website Fund	21,904	-	(21,904)	-	-
Designated fund - Joan Coull Soloists Fund	58,953	-	(20,000)	-	38,953
Designated fund - 2018 Fund	44,191	-	(44,191)	-	-
Designated fund - Fixed Assets and Investments	60,991	-	(5,403)	-	55,588
	<b>449,389</b>	<b>897,572</b>	<b>(1,005,274)</b>	<b>-</b>	<b>341,687</b>

The Joan Coull Soloists fund exists as a result of a generous legacy gift by long-term supporter Joan Coull.

Trustees have decided to direct these funds towards projects that either represent a significant development opportunity for the orchestra, or which closely match Mrs Coull's particular musical interests. Trustees anticipate that the remaining funds will be spent-down by the end of 2020.

The Fixed Assets and Investments Fund represents the balance sheet value of unrestricted tangible fixed assets and unrestricted unlisted investments which are not held as part of the charity's liquid unrestricted reserves.

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**20 RESTRICTED FUNDS**

**Group and Charity**

	Balance at 01-Jan-18 (as restated) £	Incoming Resources & Revaluation £	Outgoing Resources £	Balance at 31-Dec-18 £
<b>Expendable endowment fund</b>				
Bursary Trust Support Fund	247,637	(6,826)	(10,899)	229,912
	<u>247,637</u>	<u>(6,826)</u>	<u>(10,899)</u>	<u>229,912</u>
<b>Restricted income fund</b>				
Foyle Foundation Lighting Grant (asset depreciation)	3,879	-	(3,879)	-
SbS Foundation Laptops (asset depreciation)	-	3,849	(871)	2,978
Bursary 2018 (as restated)	92,150	62,650	(154,800)	-
Bursary - Dr Elman Poole Scholarship	27,815	25,457	(20,000)	33,272
Bursary - Dr Elman Poole Scholarship (not yet in EFG)	26,449	(26,449)	-	-
Bursary 2019+	-	98,750	-	98,750
Bursary 2019 - The Humphrey Richardson Taylor Charitable Trust	-	8,600	-	8,600
Visa costs	3,159	-	(3,159)	-
Artist Development/Education	5,100	6,000	(10,100)	1,000
Ashkenazy Concert 2018 - London	7,265	-	(7,265)	-
Ashkenazy Concert 2018 - Guernsey	-	2,000	(2,000)	-
Berlin 2018	7,485	1,750	(9,235)	-
Judith Weir project - PRS Resonate 2018	7,636	-	(7,636)	-
#ConcertLab	4,000	13,400	(17,400)	-
#ConcertLab Cockayne - Grants for the Arts and the London Community Foundation	-	15,000	-	15,000
Allegri Quartet participation	-	13,750	(10,905)	2,845
Cheryl Frances Hoad project	-	11,537	(11,537)	-
2019 Core Costs	-	35,000	-	35,000
ASMF 2018-19 - The Steel Charitable Trust	3,500	3,500	(3,500)	3,500
Restricted Fund Other:	11,888	31,786	(25,567)	18,107
	<u>200,326</u>	<u>306,580</u>	<u>(287,854)</u>	<u>219,052</u>
	<u><b>447,963</b></u>	<u><b>299,754</b></u>	<u><b>(298,753)</b></u>	<u><b>448,964</b></u>

**21 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Charity	Tangible fixed assets £	Unlisted investments £	Listed investments £	Investment Portfolio (Capital cash) £	Net current assets £	Total 2018 £
<b>Unrestricted funds:</b>						
General fund	-	-	233,823	4,957	8,366	247,146
Designated fund	32,362	23,225	-	-	38,954	94,541
<b>Restricted funds:</b>						
Expendable endowment fund	-	-	235,438	4,992	(10,518)	229,912
Restricted income fund	-	-	33,669	714	184,669	219,052
<b>Total funds</b>	<u>32,362</u>	<u>23,225</u>	<u>502,930</u>	<u>10,663</u>	<u>221,471</u>	<u>790,651</u>