

The Philharmonia Orchestra in Bedford Trust

FINANCIAL STATEMENTS

for the Year Ending 31 March 2019

Charity Registration No: 1170495

The Philharmonia Orchestra in Bedford Trust

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The Philharmonia Orchestra in Bedford Trust

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The Trustees present their report together with the financial statements of The Philharmonia Orchestra in Bedford Trust for the period ended 31 March 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Registration number: 1170495

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

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

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

Independent Examiner: MHA MacIntyre Hudson
Equipoise House
Grove Place
Bedford. MK40 3LE

Trustees: David Whelton (Chairman)
David Knapman (Honorary Treasurer)
Jeremy William Arthern
Councillor Henry Vann
David Russell
Stuart Renshaw

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

The Philharmonia Orchestra in Bedford Trust

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019

Objectives and Activities

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

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

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

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

Achievements and performance

Review of activities

During the period, the charity has continued to fundraise towards an initial £1m target for the endowment fund. It remains the ambition of the charity to achieve this target by 2020. The first grant payment was made to Philharmonia Ltd to support concert activity at the Bedford Corn Exchange across the 18/19 financial year.

Investment Policy

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

The Trustees have delegated the management of the Trusts investments to The Harpur Trust who in turn have delegated the day to day management to an investment manager, Sarasin & Partners.

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

Grant making policy

During the year £22,750 was awarded to the Philharmonia Orchestra to support the 2018/19 activities that were held in Bedford (2017/18 £20,000).

Financial Review

The financial statements cover all the activities of the charity during the period. Gross income totalled £69,996 (2017/18 £854,486) and there was a surplus in the period of £66,781 (2017/18 £814,002).

One grant of £50,000 was received during the year from The Steel Charitable Trust. In 2017/18 a grant of £500,000 was received from the Arts Council, £125,000 from Bedford City Council and £125,000 from The Harpur Trust.

At the period end total reserves were £880,783 (2017/18 £814,002) of which £924,340 (2017/18 £836,486) were Endowment funds and a deficit of £43,557 (2017/18 £22,484) of Unrestricted funds. The deficit on Unrestricted funds will be replenished from future income generated by the Endowment funds.

The Philharmonia Orchestra in Bedford Trust

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019

Reserves policy and Risk Management

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

The Trustees have considered what risks the charity faces and believes there is no substantial risk identified now. A further full risk review will be carried out during the current year as operations and activities expand.

Plans for the future

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

Structure, governance and management

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

Policy for the Induction and training of trustees

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

Related parties

David Whelton (Chairman) is also a Trustee of Philharmonia Trust Limited. In addition, David Russell (Trustee) was the Chief Executive of The Harpur Trust until his resignation in August 2019.

Organisational structure and decision making

The charity is managed by the Trustees with the accounting delegated to the finance department of Philharmonia Limited. Philharmonia Limited, the Harpur Trust and Bedford Council are entitled to nominate in writing one individual for appointment as a Trustee from time to time.

Method of appointment or election of trustees

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

Trustees' responsibilities statement

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

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);

The Philharmonia Orchestra in Bedford Trust

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019

- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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



David Whelton

Chairman

Date: 12/11/19

The Philharmonia Orchestra In Bedford Trust

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

I report to the charity trustees on my examination of the accounts of the charity for the period ended 31 March 2019 which are set out on pages 7 to 13.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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



Andrew Moyser

FCCA,FCA

MHA MacIntyre Hudson
Equipoise House
Grove Place
Bedford
MK40 3LE

Date: 26 Nov 2019

The Philharmonia Orchestra In Bedford Trust

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31ST MARCH 2019

| | | 2019 | 2019 | 2019 | 2018 | 2018 | 2018 |
|---|------|-----------------|----------------|----------------|-----------------|----------------|----------------|
| | | Unrestricted | Endowment | Total | Unrestricted | Endowment | Total |
| | | Funds | Funds | Funds | Funds | Funds | Funds |
| | Note | £ | £ | £ | £ | £ | £ |
| Income from: | | | | | | | |
| Donations | 1 | - | 16,975 | 16,975 | - | 86,486 | 86,486 |
| Charitable activities | 2 | - | 50,000 | 50,000 | - | 750,000 | 750,000 |
| Intangible Income | 3 | - | - | - | 18,000 | - | 18,000 |
| Investment income | 4 | 3,021 | - | 3,021 | - | - | - |
| Total | | 3,021 | 66,975 | 69,996 | 18,000 | 836,486 | 854,486 |
| Expenditure on: | | | | | | | |
| Grants made | 5 | 22,750 | - | 22,750 | 20,000 | - | 20,000 |
| Bank charges | | 60 | - | 60 | | - | - |
| Audit & Accountancy fees | | 1,224 | - | 1,224 | 2,400 | - | 2,400 |
| Other Expenditure | | 60 | - | 60 | 18,084 | - | 18,084 |
| Total Expenditure | | 24,094 | | 24,094 | 40,484 | | 40,484 |
| Other recognised Gains/(Losses): | | | | | | | |
| Gain/(loss) on Investment assets | 6 | - | 20,879 | 20,879 | - | - | - |
| Net Income / (expenditure) | | (21,073) | 87,854 | 66,781 | (22,484) | 836,486 | 814,002 |
| Total funds brought forward | | (22,484) | 836,486 | 814,002 | - | - | - |
| Total funds carried forward | | (43,557) | 924,340 | 880,783 | (22,484) | 836,486 | 814,002 |

The notes on pages 11 to 13 form an integral part of these financial statements

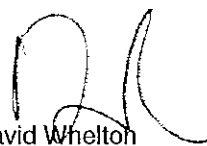
The Philharmonia Orchestra In Bedford Trust

BALANCE SHEET

31 March 2019

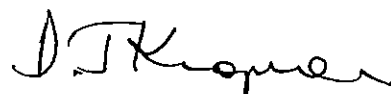
| | Note | 2019 £ | 2018 £ |
|--|------|-----------------|-----------------|
| Investments | 6 | 852,879 | - |
| Cash at bank | | 39,076 | 831,511 |
| Debtors | 7 | 6,162 | 4,891 |
| Current Assets | | <u>45,238</u> | <u>836,402</u> |
| Creditors: Amounts falling due within one year | 8 | <u>(17,334)</u> | <u>(22,400)</u> |
| Net Current Assets | | <u>27,904</u> | <u>814,002</u> |
| Net Assets | | <u>880,783</u> | <u>814,002</u> |
| Reserves | | | |
| Unrestricted Fund | | (43,557) | (22,484) |
| Trust Endowment Fund | | 924,340 | 836,486 |
| Total Funds | | <u>880,783</u> | <u>814,002</u> |

The financial statements were approved and authorised for issue by the Trustees on



David Whelton

Chairman



David Knapman

Treasurer

The notes on pages 11 to 13 form part of these financial statements

The Philharmonia Orchestra In Bedford Trust

STATEMENT OF CASHFLOW

31 March 2019

| | 2019 | 2018 |
|--|-----------|---------|
| | £ | £ |
| Cashflows from operating activities: | | |
| Net income for the period (per the statement of financial activities) | 66,781 | 814,002 |
| Adjustments for: | | |
| (Increase)/Decrease in debtors | (250) | (4,891) |
| Increase/(Decrease) in creditors | (5,066) | 22,400 |
| Net cash (used in)/provided by operating activities being net change in cash and cash equivalents | 61,465 | 831,511 |
| Net cash (used in) investing activities | (853,900) | - |
| Change in cash and cash equivalents in the reporting year | (792,435) | 831,511 |
| Cash and cash equivalent brought forward | 831,511 | - |
| Cash and cash equivalent carried forward | 39,076 | 831,511 |

The Philharmonia Orchestra In Bedford Trust

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.).

GOING CONCERN

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

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

INCOME

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

Intangible income represents donated services to the Trust. Income has been included in the financial statements at a valuation which is an estimate of the market value of the services provided, where such a cost is quantifiable and measurable. An equivalent amount is shown under expenditure.

EXPENDITURE

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

FUNDS

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

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

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

DEBTORS

Trade and other debtors are recognised at the settlement amount.

CASH AT BANK AND IN HAND

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

FINANCIAL INSTRUMENTS

The Charity only has basic financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

INVESTMENTS

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

The Philharmonia Orchestra In Bedford Trust

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2019

1 DONATIONS

| | 2019 | 2018 |
|-------------------------------|---------------|---------------|
| | £ | £ |
| Sundry donations and Gift Aid | 16,975 | 86,486 |
| | <u>16,975</u> | <u>86,486</u> |

2 GRANTS RECEIVED

| | 2019 | 2019 | 2019 | 2018 |
|---|--------------|---------------|---------------|----------------|
| | Unrestricted | Endowment | Total | Total |
| | Funds | Funds | Funds | Funds |
| | £ | £ | £ | £ |
| Grants received from Arts Council | - | - | - | 500,000 |
| Grants received from Harpur Trust | - | - | - | 125,000 |
| Grants received from Bedford Borough Council | - | - | - | 125,000 |
| Grants received from The Steel Charitable Trust | - | 50,000 | 50,000 | - |
| | <u>-</u> | <u>50,000</u> | <u>50,000</u> | <u>750,000</u> |

3 INTANGIBLE INCOME

In 2017/18 the following services were provided to the Bedford Trust by the Philharmonia Orchestra to assist with the initial set up of the Trust.

| | 2019 | 2018 |
|---|----------|---------------|
| | £ | £ |
| Support from the Philharmonia's development team to raise funds for the initial endowment | - | 9,000 |
| Support from the Philharmonia's finance function in the set-up of the Trust | - | 9,000 |
| | <u>-</u> | <u>18,000</u> |

No fee was levied for these services and they were treated as Gifts in Kind.

4 INVESTMENT INCOME

| | 2019 | 2018 |
|--------------------------|--------------|----------|
| | £ | £ |
| Bank interest receivable | 786 | - |
| Income from investment | 2,235 | - |
| | <u>3,021</u> | <u>-</u> |

5 GRANTS AWARDED

A grant of £22,750 was awarded to the Philharmonia Orchestra to support the work undertaken in Bedford by the Orchestra in 2018/19 (2017/18 £20,000).

The Philharmonia Orchestra In Bedford Trust

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2019

6 INVESTMENTS

| | 2019 | 2018 |
|--|---------|------|
| | £ | £ |
| At 1 April : | | |
| Additions to investments at cost | 832,000 | - |
| Net gain on revaluation (based on open market valuation at year end) | 20,879 | - |
| At 31 March 2019 | 852,879 | - |

7 DEBTORS

| | 2019 | 2018 |
|-------------------------------|-------|-------|
| | £ | £ |
| Gift Aid receivable | 5,141 | 4,891 |
| Cash held by investement fund | 1,021 | - |
| | 6,162 | 4,891 |

8 CREDITORS: Amounts falling due within one year

| | 2019 | 2018 |
|--|--------|--------|
| | £ | £ |
| Amount payable to Philharmonia Limited | 16,134 | 20,000 |
| Accruals and deferred income | 1,200 | 2,400 |
| | 17,334 | 22,400 |

9 TRUSTEE REMUNERATION

No Trustee received any remuneration for their services.

The charity considers its key management personnel to be the Trustees.

During the period, one Trustee received £60.16 for reimbursement of expenses.

10 RELATED PARTY TRANSACTIONS

The Trust investments have been delegated to the Harpur Trust who in turn have delegated the day to day management to an investment manager, Sarasin & Partners.

In 2017-18 payments of £500,000 from the Arts Council were held on behalf of the Charity by Philharmonia Trust until the Charity had been formally registered. David Whelton (Chairman) is a Trustee of Philharmonia Trust Limited .

In 2017-18 a grant of £125,000 was received from the Harpur Trust, for which David Russell (Trustee) was the Chief Executive.

The Philharmonia Orchestra In Bedford Trust

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2019

11 FUNDS

| | At 1 April 2018 £ | Income £ | Expenditure £ | Gains & Losses £ | At 31 March 2019 £ |
|---------------------------|-------------------------|-------------|------------------|------------------------|--------------------------|
| Endowment Funds | 836,486 | 66,975 | - | 20,879 | 924,340 |
| Unrestricted Funds | (22,484) | 3,021 | (24,094) | - | (43,557) |
| Total Funds | 814,002 | 69,996 | (24,094) | 20,879 | 880,783 |

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

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | 2019 Unrestricted Funds £ | 2019 Endowment Funds £ | 2019 Total Funds £ | 2018 Unrestricted Funds £ | 2018 Endowment Funds £ | 2018 Total Funds £ |
|----------------------------|------------------------------------|---------------------------------|-----------------------------|------------------------------------|---------------------------------|-----------------------------|
| Investments | - | 852,879 | 852,879 | - | - | - |
| Current assets | (26,223) | 71,461 | 45,238 | (84) | 836,486 | 836,402 |
| Current liabilities | (17,334) | - | (17,334) | (22,400) | - | (22,400) |
| | (43,557) | 924,340 | 880,783 | (22,484) | 836,486 | 814,002 |