



Plummer Parsons
Chartered Accountants

PLEASE SIGN AND RETURN TO
PLUMMER PARSONS

BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED
BRIGHTON PHILHARMONIC ORCHESTRA (BPO)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

Company Registration No. 00371316 (England and Wales)

Charity Registration No. 250921



Chartered Accountants
& Statutory Auditor

BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

CONTENTS

| | Page |
|-----------------------------------|---------|
| Trustees' report | 1 - 5 |
| Independent examiner's report | 6 |
| Statement of financial activities | 7 |
| Balance sheet | 8 |
| Statement of cash flows | 9 |
| Notes to the accounts | 10 - 18 |

Brighton & Hove Philharmonic Society Limited
Trustees' Report (including Directors' Report) – Year ended 31 March 2016

Reference and Administrative Details

| | | |
|----------------------------------|--|---|
| Charity Name: | Brighton & Hove Philharmonic Society Limited | |
| Also known as: | Brighton Philharmonic Orchestra (BPO) Friends of the Philharmonic | |
| Charity Registration Number: | 250921 | |
| Company Registration Number: | 371316 (England) | |
| Principal and Registered Office: | 41 George Street, Brighton, BN2 1RJ | |
| Trustees: | The Trustees of the Charity are Directors of the Company and Members of the Board of Management: | |
| | John Barkshire | |
| | Daniel Bhattacharya | |
| | Kate Blenkinsop | |
| | Ken Childerhouse | (Elected November 2015) |
| | Nicolas Chisholm, MBE | (Chairman) |
| | Mike Dickson | (Re-elected November 2015) |
| | Neil Gershon | |
| | Sue McHugh | (Treasurer) |
| | Karen Platt | (Trustee to November 2015) |
| | Christopher Thomson | (Re-elected November 2015) |
| Officers: | Barry Wordsworth | (Conductor Laureate) |
| | Catherine Stead | (General Administrator/Company Secretary) |
| Honorary Officers: | John Lill, CBE | (President) |
| | John Carewe | (Vice-President) |
| | David House | (Vice-President) |
| | Jackie Lythell, OBE | (Vice-President) |
| | Ronald Power, MBE | (Vice-President) |
| | Karen Platt | (Vice-President elected November 2015) |
| Bankers: | CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ | |
| Honorary Legal Advisors: | Healys Solicitors, 8 Old Steine, Brighton BN1 1EJ | |
| Independent Examiner | Nicholas Brown, FCA, DChA, Plummer Parsons, 18 Hyde Gardens, Eastbourne East Sussex, BN21 4PT | |

Introduction

The trustees present their report and accounts for the year ended 31 March 2016.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "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)."

Structure, Governance and Management

Governing document

The Brighton & Hove Philharmonic Society Limited is a Company Limited by Guarantee, established under a Memorandum of Association and governed by its Articles of Association.

Brighton & Hove Philharmonic Society Limited

Trustees' Report (including Directors' Report) – Year ended 31 March 2016

Recruitment, appointment, induction and training of Trustees

Trustees are elected at the Annual General Meeting. One third retires by rotation each year. No Trustee may serve more than nine consecutive years, after which two years must elapse before they may stand for re-election. It is the intention that all New Trustees attend an induction meeting with the Chair and Company Secretary at which they are provided with documents detailing the roles and responsibilities of Trustees, Officers and employees, background information on the charity and its activities, its policies, and recent minutes and reports. Training is made available to Trustees as required and the Company Secretary forwards relevant information to Trustees on developments affecting charities.

Organisational structure

The Board of Management, consisting of the Trustees and Officers, meets regularly to decide matters of policy and strategy. Day to day management is delegated to the General Administrator.

Risk management

The Trustees confirm that the risks to which they believe the Society is exposed have been reviewed and that systems have been established to mitigate those risks. In order to identify relevant risks and appropriate controls the following factors were considered: the Society's objectives and strategies, external factors (including legislation and regulations), the governance and management of the Society and operational factors.

Objectives, Activities, Achievements and Performance

The Trustees have paid due regard to the Public Benefit guidance issued by the Charity Commission in deciding what activities the Society should undertake during the year.

Objects and aims

The Society is established to promote and assist the study, practice, knowledge and appreciation of music, and generally advance the cause of music. It aims to bring pleasure to the local community through providing high quality, varied classical music programmes, professionally performed, at realistic prices to the audience, within the Society's available resources. The principal forum for these activities is the Brighton Dome, where the Society presents an annual series of professional orchestral concerts by the Brighton Philharmonic Orchestra, and during the summer there is a season of chamber music concerts presented in the Brighton Unitarian Church.

Objectives and strategies

The Society's main objective for the year was to continue to build on the financial stability engendered by the successful Appeal to its members and Friends. Fundraising remains vital to the financial well-being of the Society and the activities of the Trustees brought in almost £55,000 during the financial year.

Raising the profile of the orchestra within Brighton & Hove and the surrounding towns through regular reviews, newsletters, social media and press advertising continues to be an important objective. As part of the strategy to raise the profile of the orchestra throughout the year four summer chamber music concerts were again held in the Brighton Unitarian Church featuring works by composers connected to Brighton & Hove under the banner *Brighton Connections*. The performers were drawn from members of the orchestra.

It was decided to maintain the number of concerts in the orchestral season in the Dome at eight, including the New Year's Eve since audience numbers had held up well.

The orchestra also wanted to build on the education and outreach programme it had established last season to bring classical music to young children in Brighton and Hove, in partnership with Brighton & Hove's Music Hub, Sound City. Another grant from the Fonthill Foundation, an educational charity, plus donations from Friends and supporters of the orchestra made it possible to take three musicians from the orchestra into a further nine primary schools in Brighton, to give ten interactive workshops focussing on Rimsky Korsakov's *Scheherazade*. The orchestra performed this piece in their Valentine's Day concert and invited children from all Brighton & Hove primary schools to attend the rehearsal.

Activities

A number of activities for Friends were arranged in April and May to make membership of the Society more valuable and worthwhile.

The second summer season consisted of four chamber music concerts in the Brighton Unitarian Church, performed by members of the orchestra, and featuring works by local composers alongside those of well-known chamber music composers.

Brighton & Hove Philharmonic Society Limited

Trustees' Report (including Directors' Report) – Year ended 31 March 2016

The 2015-16 orchestral concert season consisted of seven Sunday afternoon concerts, each preceded by a pre-concert interview given by Peter Back, and the New Year's Eve concert – all performed by the Brighton Philharmonic Orchestra in the Brighton Dome Concert Hall. In addition the orchestra were delighted to be invited to perform with the Brighton Festival Chorus in their annual Christmas Concert at Brighton Dome.

The Society is extremely grateful to its volunteers, who act as programme sellers and Ambassadors at concerts in the Brighton Dome Concert, help with large mail-outs of newsletters and programmes from the office, and distribute publicity materials in their local areas.

Review of activities

Chairman Nicolas Chisholm gave a talk on Yehudi Menuhin and his school for Friends of the Philharmonic in Brighton Museum in April attended by 25 Friends, and in the same month a reception for 40 sponsors and personal donors was held in the Mayor's Parlour, where the Mayor of Brighton & Hove thanked them for their support.

A group trip for Friends to see Conductor Laureate Barry Wordsworth conduct the Royal Ballet at the Royal Opera House, Covent Garden, took place in May, with the 22 Friends meeting Barry after the performance.

In June the Society's new website was launched enabling much more information about the orchestra and Society to be available online and kept up to date. The orchestra's presence on social media grew to nearly 100 Facebook likes and just under 700 Twitter followers during the year. Google AdWords were used to promote the New Year's Eve concert and regular Twitter campaigns were run before concerts, including special offers and ticket give-aways, with reciprocal marketing undertaken with both BREMF and Brighton Festival Chorus.

The second *Brighton Connections* summer season of chamber music concerts took place in June, July and August 2015, performed by members of the orchestra in the Brighton Unitarian Church. Concert Manager Ian Brignall programmed the series to feature works by local composers Howard Blake, Frank Bridge, Peter Copley and Barry Mills alongside pieces by well-known composers such as Mozart, Schubert and Haydn.

The Brighton Philharmonic Orchestra's main season of concerts opened with pianist Stephen Hough in a programme that included a performance of a little known symphony by Russian composer Kalinnikov. In November the orchestra were joined by cellist Gemma Rosefield who played Tchaikovsky's *Variations on a Rococo Theme* on a cello once owned by the Prince Regent. Conductor Laureate Barry Wordsworth conducted six concerts, including the New Year's Eve Viennese Gala, with guest conductors Stephen Bell & Howard Shelley also taking the podium during the season, the latter directing Shostakovich's *Piano Concerto No.2* from the piano, using an annotated score on an iPad. Soloists ranged from pianists Melvyn Tan and Rob Clark to violinist Matthew Trusler and horn player Martin Owen. Australian soprano Kiandra Howarth was the soloist in the New Year's Eve Viennese Gala concert, which also included some pieces of light British music for the first time. The season's repertoire aimed to feature popular composers and well-known pieces to attract larger audiences, so included Beethoven, Tchaikovsky, Brahms, Bruckner and Mendelssohn as well as pieces by lesser known composers such as Kalinnikov, Bernstein and William Alwyn (the performance of whose *Derby Day* overture was kindly supported by the William Alwyn Foundation.) The final concert of the season, dedicated to the memory of long-term Friend and supporter of the orchestra Martin Lindsay-Hills, closed with Vaughan Williams' *A Sea Symphony* performed with the Brighton Festival Chorus.

Despite the continuing difficult economic climate we sustained the level of concert attendances of the previous season, regularly attracting over a thousand people to every concert. The increase in the number of young people attending concerts that had been noticeable in the previous season was also maintained. Ticket prices for the season increased slightly from a minimum of £5.75 for a concession, rising to £36.50 for a premium seat in the Circle. Increases were tiered so that higher priced seats increased by more and the lower priced seats by just 50p.

BHPS continues to offer free attendance at rehearsals for Friends of the Philharmonic and free "Friend of a Friend" tickets to encourage Friends to introduce others to our concerts. The quarterly newsletters to the Friends continue to provide much more information and articles of interest, and are supplemented by electronic e-newsletters to those Friends whose email addresses the Society holds.

Two part-season programme booklets were again produced, slightly smaller in size in response to feedback, maintaining our reputation for high quality professional publications. The price remained at £3.50 and some advertising income was achieved.

Karen Platt stepped down from the Board at the Society's AGM in November 2015 after six years' service, including two years as Chairman. In recognition of her management of Society during the financial crisis of 2013 and the Appeal, Karen was voted in as Vice President at the AGM.

Brighton & Hove Philharmonic Society Limited

Trustees' Report (including Directors' Report) – Year ended 31 March 2016

New sponsorship & legacy leaflets were published in December and March respectively to explain the need for, and encourage, financial support of the orchestra. These were sent to Friends with newsletters and displayed at concerts. Electronic versions are also available via the Society's website.

As part of the strategy to bring classical music to young people, the orchestra arranged an open rehearsal of Rimsky Korsakov's *Scheherazade* for local schoolchildren. Nearly 400 children and their parents/teachers attended this event on Valentine's Day - a huge increase on the previous year's attendance. This was the culmination of the orchestra's education programme which this year ran ten workshops in nine primary schools in Brighton & Hove. The interactive workshops introduced 599 children to the violin, cello and percussion, and to the story and music of *Scheherazade*. The Society is most grateful to the educational charity the Fonthill Foundation for its generous financial support of these workshops and to those Friends and supporters who also contributed to the education programme. Over the last two years the orchestra has reached 850 children aged 6-11 in 16 primary schools with these interactive music workshops. The popularity and success of the workshops and open rehearsal brought more young people and their parents to the orchestral concerts throughout the season.

The Society's objectives for the main season remain unchanged, namely presenting a high-quality, varied programme of Sunday afternoon concerts. Care is taken to ensure that concert dates are scheduled in conjunction with other visiting orchestras/performers to ensure there are no clashes with repertoire or dates. The Society's aim is also to avoid clashing with orchestral concerts given in other venues such as Worthing and Eastbourne, which has not always been possible in the past.

Financial Review

Operating and Financial Review

The Society achieved net income for the year ended 31st March 2016 of £40,262 compared to net income of £11,661 for the year ended 31st March 2015. Income from ticket sales increased to £161,864 in 2016 compared to £157,180 in 2015. Sponsorship income reduced to £54,596 compared to £77,985 in 2015. Trustees had set a very ambitious target for sponsorship income of £120,000, which did not prove achievable.

Expenditure increased year on year (£369,561 in 2016 compared to £333,797 in 2015). The increase is almost entirely attributable to the increased direct cost of the Dome concert season. Trustees continue to consider carefully the balance of programming that can be afforded within secure income levels. Trustees also continue to seek ways of reducing costs.

In both 2016 and 2015 we were fortunate to receive legacy income without which our financial position would remain perilous. In 2016 we received £145,514 and in 2015 we received £67,604. We continue to aim to cover more of the cost of delivering our programmes from ticket sales and sponsorship so that we are less reliant on legacies to balance budgets.

The positive outturn for the year resulted in net funds carried forward of £131,693 compared to £91,431 at the year ended 31st March 2015.

The approved budget for the year ended 31st March 2017 is based on an assumption of ticket sales at a similar level to that achieved in the year to 31st March 2016 but a higher level of sponsorship income of £75,000. Expenditure levels are budgeted at similar levels to 2016, including the direct costs of the Dome concert season. The budget shows net expenditure for the year of £76,302 which would reduce reserves carried forward to £55,391. The budget assumes no further income from legacies, although trustees are aware of further legacy income due to be received in-year. Trustees are aware that in the absence of continuing legacy income the current programme costs are unsustainable. At present, the level of reserves and legacies is sufficient to maintain the programme for 2016/17.

All areas of income and expenditure are being monitored closely to ensure the budgeted levels are achieved or improved on.

Reserves Policy

The Society's long-term reserves are in place to reduce the impact of risks from external factors and because concert planning requires it to make advance commitment to expenditure before all necessary funding has been attracted or confirmed. Reserves are therefore necessary to ensure the Society can meet its obligations if intended funding sources fail to meet the required targets. In considering the appropriate level of reserves the Trustees took into account twenty key areas of financial risk. These equate to approximately 6 months reduced operating costs of £150,000.

Brighton & Hove Philharmonic Society Limited
Trustees' Report (including Directors' Report) – Year ended 31 March 2016

At present the Society's reserves have not quite reached their agreed target. At 31st March 2016 they stood at £131,693 and the aim is to use any further legacy income in the short term to build a higher level of reserves, whilst working to improve ongoing income generation from ticket sales and sponsorship so that the cost of concerts is covered as far as possible from these sources.

Investments

The Society's investment policy is to hold all reserves in low risk accounts designed for charities. All funds are therefore held in a Charities Aid Foundation CAFCash current account.

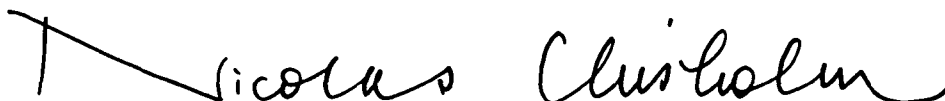
Responsibilities in relation to the financial statements

The Trustees, who are also the directors of Brighton & Hove Philharmonic Society Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law 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, including the income and expenditure, of the charitable company for that year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- 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 adequate 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 Companies Act 2006. 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.

Approved on behalf of the board on 4 December 2016

A handwritten signature in black ink, reading 'Nicolas Chisholm'. The signature is written in a cursive style with a large initial 'N'.

Nicolas Chisholm, MBE (Chair)
Trustee

BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

I report on the accounts of the charity for the year ended 31 March 2016, which are set out on pages 7 to 18.

Respective responsibilities of trustees and examiner

The trustees, who are also the directors of Brighton & Hove Philharmonic Society Limited for the purposes of company law, are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a qualified Chartered Accountant.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Nicholas Brown FCA DChA

Chartered Accountant
18 Hyde Gardens
Eastbourne
East Sussex
BN21 4PT

Dated: 4 December 2016

BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016

| | Notes | Unrestricted funds £ | Restricted funds £ | Total 2016 £ | Total 2015 £ |
|---|-------|----------------------------|--------------------------|--------------------|--------------------|
| <u>Income from:</u> | | | | | |
| Voluntary income | 3 | 177,311 | - | 177,311 | 101,567 |
| Charitable activities | 4 | 177,812 | 54,596 | 232,408 | 240,447 |
| Other trading activities | 5 | 104 | - | 104 | 3,434 |
| Investments | 6 | - | - | - | 10 |
| Total income | | 355,227 | 54,596 | 409,823 | 345,458 |
| <u>Expenditure on:</u> | | | | | |
| Raising funds | 7 | 12,763 | - | 12,763 | 14,617 |
| Charitable activities | 8 | 302,202 | 54,596 | 356,798 | 319,180 |
| Total resources expended | | 314,965 | 54,596 | 369,561 | 333,797 |
| Net income for the year/ Net movement in funds | | 40,262 | - | 40,262 | 11,661 |
| Fund balances at 1 April 2015 | | 91,431 | - | 91,431 | 79,770 |
| Fund balances at 31 March 2016 | | 131,693 | - | 131,693 | 91,431 |

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

BALANCE SHEET

AS AT 31 MARCH 2016


| | Notes | 2016 £ | £ | 2015 £ | £ |
|---|-------|-----------|---------|-----------|--------|
| Current assets | | | | | |
| Debtors falling due after one year | 13 | 2,000 | | 2,000 | |
| Debtors falling due within one year | 13 | 20,660 | | 7,479 | |
| Cash at bank and in hand | | 116,388 | | 86,886 | |
| | | 139,048 | | 96,365 | |
| Creditors: amounts falling due within one year | 14 | (7,355) | | (4,934) | |
| Net current assets | | | 131,693 | | 91,431 |
| Income funds | | | | | |
| Unrestricted funds | | | 131,693 | | 91,431 |
| | | | 131,693 | | 91,431 |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2016. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The trustees' responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Trustees on 4 December 2016


Nicolas Chisholm MBE
Trustee

Company Registration No. 00371316

BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

| | Notes | 2016 £ | £ | 2015 £ | £ |
|---|-------|-----------|---------|-----------|----------|
| Cash flows from operating activities | | | | | |
| Cash generated from/(absorbed by) operations | 16 | | 29,502 | | (37,200) |
| Investing activities | | | | | |
| Income from investments | | - | | 10 | |
| Net cash (used in)/generated from investing activities | | | - | | 10 |
| Net increase/(decrease) in cash and cash equivalents | | | 29,502 | | (37,190) |
| Cash and cash equivalents at beginning of year | | | 86,886 | | 124,076 |
| Cash and cash equivalents at end of year | | | 116,388 | | 86,886 |

BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Company information

Brighton & Hove Philharmonic Society Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 41 George Street, Brighton, East Sussex, BN2 1RJ.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

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

The accounts have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 March 2016 are the first accounts of Brighton & Hove Philharmonic Society Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. Income receivable for restricted purposes is included in incoming resources of restricted funds. Income is only deferred when the charity has to fulfil certain conditions before becoming entitled to it or where the donor specifies that the income is to be expended in a future period.

Cash donations are recognised on receipt. Other donations, including sponsorship and grants towards concerts, are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Membership subscriptions are recognised when the subscription falls due.

BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Ticket sales for concerts are recognised at the point of sale. Engagement fees for concerts are recognised at the acceptance of the engagement, unless performance conditions require deferral of the amount.

Investment income is recognised when receivable.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is recognised when a liability is incurred.

Costs of generating funds are those costs incurred in attracting voluntary income and in trading activities for the purpose of fundraising.

Charitable activities include expenditure associated with performances and other musical activities for the public and Friends of the Society and include both the direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support cost, including governance, have been allocated on the basis of the estimated amount of staff time incurred in carrying out each charitable activity.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 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.

1.9 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

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

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

BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

3 Voluntary income

| | 2016 | 2015 |
|---------------------|----------------|----------------|
| | £ | £ |
| Donations and gifts | 6,571 | 8,621 |
| Legacies receivable | 145,514 | 67,604 |
| Gift Aid | 13,419 | 12,696 |
| Membership fees | 11,807 | 12,646 |
| | <u>177,311</u> | <u>101,567</u> |

4 Charitable activities

| | Dome concert season | Other performances | Other | Total 2016 | Total 2015 |
|---|---------------------------|-----------------------|--------------|----------------|----------------|
| | £ | £ | £ | £ | £ |
| Ticket sales | 160,010 | 1,854 | - | 161,864 | 157,180 |
| Engagement fees | 11,320 | - | - | 11,320 | - |
| Sponsorship, grants and donations | 50,450 | 4,146 | - | 54,596 | 77,985 |
| Programme sales and advertising | 3,428 | - | - | 3,428 | 4,182 |
| Education | - | - | 1,200 | 1,200 | 1,100 |
| | <u>225,208</u> | <u>6,000</u> | <u>1,200</u> | <u>232,408</u> | <u>240,447</u> |
| Analysis by fund | | | | | |
| Unrestricted funds | 174,758 | 1,854 | 1,200 | 177,812 | |
| Restricted funds | 50,450 | 4,146 | - | 54,596 | |
| | <u>225,208</u> | <u>6,000</u> | <u>1,200</u> | <u>232,408</u> | |
| For the year ended 31 March 2015 | | | | | |
| Unrestricted funds | 160,441 | 2,921 | 1,100 | | 164,462 |
| Restricted funds | 75,985 | - | - | | 75,985 |
| | <u>236,426</u> | <u>2,921</u> | <u>1,100</u> | | <u>240,447</u> |

BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

5 Other trading activities

| | 2016 | 2015 |
|----------------------|------------|--------------|
| | £ | £ |
| Miscellaneous income | 104 | 3,434 |
| | <u>104</u> | <u>3,434</u> |

6 Investments

| | 2016 | 2015 |
|---------------------|----------|-----------|
| | £ | £ |
| Interest receivable | - | 10 |
| | <u>-</u> | <u>10</u> |

7 Raising funds

| | 2016 | 2015 |
|---|---------------|---------------|
| | £ | £ |
| <u>Costs of fundraising trading</u> | | |
| Support costs (see note 9) | 641 | 631 |
| | <u>641</u> | <u>631</u> |
| <u>Costs of generating voluntary income</u> | | |
| Marketing and communications | - | 2,059 |
| Support costs (see note 9) | 12,122 | 11,927 |
| | <u>12,122</u> | <u>11,927</u> |
| | <u>12,763</u> | <u>14,617</u> |
| For the year ended 31 March 2015 | | |
| Costs of fundraising trading | | 631 |
| Costs of generating voluntary income | | 13,986 |
| | | <u>14,617</u> |

BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

8 Charitable activities

| | Dome concert season | Other performances | Friends activities | Total 2016 | Total 2015 |
|---|---------------------------|-----------------------|-----------------------|----------------|----------------|
| | £ | £ | £ | £ | £ |
| Orchestra and artists | 186,085 | 6,605 | - | 192,690 | 161,023 |
| Hall hire | 48,155 | - | - | 48,155 | 45,422 |
| Instrument hire | 6,559 | - | - | 6,559 | 6,922 |
| Library | 5,177 | - | - | 5,177 | 4,622 |
| Concert manager | 22,820 | - | - | 22,820 | 22,388 |
| Commission | 1,312 | - | - | 1,312 | 864 |
| Programmes | 7,579 | - | - | 7,579 | 9,967 |
| Performing Rights Society fees | 4,743 | 56 | - | 4,799 | 6,585 |
| Marketing and communications | 19,036 | - | - | 19,036 | 17,232 |
| Other direct expenses | 5,164 | - | - | 5,164 | 2,426 |
| Equipment hire | 1,114 | - | - | 1,114 | - |
| | <u>307,744</u> | <u>6,661</u> | <u>-</u> | <u>314,405</u> | <u>277,451</u> |
| Share of support costs (see note 9) | 31,471 | 2,929 | 2,403 | 36,803 | 36,210 |
| Share of governance costs (see note 9) | 5,590 | - | - | 5,590 | 5,519 |
| | <u>344,805</u> | <u>9,590</u> | <u>2,403</u> | <u>356,798</u> | <u>319,180</u> |
| Analysis by fund | | | | | |
| Unrestricted funds | 296,208 | 3,591 | 2,403 | 302,202 | |
| Restricted funds | 48,597 | 5,999 | - | 54,596 | |
| | <u>344,805</u> | <u>9,590</u> | <u>2,403</u> | <u>356,798</u> | |
| For the year ended 31 March 2015 | | | | | |
| Unrestricted funds | 229,710 | 11,121 | 2,364 | | 243,195 |
| Restricted funds | 75,985 | - | - | | 75,985 |
| | <u>305,695</u> | <u>11,121</u> | <u>2,364</u> | | <u>319,180</u> |

BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

9 Support costs

| | Support costs | Governance costs | 2016 | 2015 | Basis of allocation |
|--------------------------|---------------|------------------|---------------|---------------|---------------------|
| | £ | £ | £ | £ | |
| Staff costs | 30,920 | 2,689 | 33,609 | 30,040 | Staff time |
| Office and maintenance | 10,308 | 896 | 11,204 | 12,325 | Staff time |
| Insurance | 977 | 85 | 1,062 | 883 | Staff time |
| Telephone and postage | 3,103 | 270 | 3,373 | 3,168 | Staff time |
| Print and computer costs | 3,191 | 278 | 3,469 | 2,555 | Staff time |
| Bank charges | 275 | 24 | 299 | 331 | Staff time |
| Legal and professional | 12 | 1 | 13 | 13 | Staff time |
| Recruitment and training | - | - | - | 285 | Staff time |
| Miscellaneous | 780 | 69 | 849 | 3,409 | Staff time |
| Independent examination | - | 630 | 630 | 630 | Governance |
| Accountancy | - | 648 | 648 | 648 | Governance |
| | <u>49,566</u> | <u>5,590</u> | <u>55,156</u> | <u>54,287</u> | |
| <u>Analysed between</u> | | | | | |
| Fundraising | 641 | - | 641 | 631 | |
| Trading | 12,122 | - | 12,122 | 11,927 | |
| Charitable activities | 36,803 | 5,590 | 42,393 | 41,729 | |
| | <u>49,566</u> | <u>5,590</u> | <u>55,156</u> | <u>54,287</u> | |

All support costs have been allocated on the basis of the value of the estimated amount of staff time incurred in carrying out each activity.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

During the year total donations of £525 (2015: £8760) were received from the trustees.

BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

11 Employees

Number of employees

The average monthly number employees during the year was:

| | 2016 Number | 2015 Number |
|----------------|----------------|----------------|
| Administration | 2 | 2 |

Employment costs

| | 2016 £ | 2015 £ |
|-----------------------|---------------|---------------|
| Wages and salaries | 33,258 | 29,924 |
| Social security costs | 351 | 116 |
| | <u>33,609</u> | <u>30,040</u> |

The number of full time equivalent employees in the year was 1 (2015: 1).

There were no key management personnel other than the trustees.

There were no employees whose annual remuneration was £60,000 or more.

| 12 Financial instruments | 2016 £ | 2015 £ |
|---|-----------|-----------|
| Carrying amount of financial assets | | |
| Debt instruments measured at amortised cost | 22,660 | 9,479 |
| Carrying amount of financial liabilities | | |
| Measured at amortised cost | 7,355 | 4,934 |

| 13 Debtors | 2016 £ | 2015 £ |
|---|---------------|--------------|
| Amounts falling due within one year: | | |
| Trade debtors | 20,660 | 7,479 |
| Amounts falling due after one year: | | |
| Other debtors | 2,000 | 2,000 |
| Total debtors | <u>22,660</u> | <u>9,479</u> |

Debtors due after more than one year relates to the rental deposit recoverable on the charity's leased offices.

BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

14 Creditors: amounts falling due within one year

| | 2016 £ | 2015 £ |
|------------------------------|--------------|--------------|
| Trade creditors | 7,355 | 2,934 |
| Accruals and deferred income | - | 2,000 |
| | <u>7,355</u> | <u>4,934</u> |

15 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2016 £ | 2015 £ |
|----------------------------|--------------|---------------|
| Within one year | 4,500 | 9,000 |
| Between two and five years | - | 4,500 |
| | <u>4,500</u> | <u>13,500</u> |

16 Cash generated from operations

| | 2016 £ | 2015 £ |
|---|---------------|-----------------|
| Surplus for the year | 40,262 | 11,661 |
| Adjustments for: | | |
| Investment income recognised in profit or loss | - | (10) |
| Movements in working capital: | | |
| (Increase) in debtors | (13,181) | (1,951) |
| Increase/(decrease) in creditors | 2,421 | (46,900) |
| Cash generated from/(absorbed by) operations | <u>29,502</u> | <u>(37,200)</u> |