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**Plummer Parsons**  
Chartered Accountants

Charity Registration No. 250921

Company Registration No. 00371316 (England and Wales)

**BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**



Chartered Accountants  
& Statutory Auditor

# **BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED**

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**Brighton & Hove Philharmonic Society Limited**  
**Trustees' Report (including Directors' Report) – Year ended 31 March 2017**

**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	(Trustee to November 2016)
	Stephen Chamberlain	(Elected November 2016)
	Ken Childerhouse	
	Nicolas Chisholm, MBE	(Chairman)
	Mike Dickson	(Trustee to November 2016)
	Neil Gershon	
	Sue McHugh	(Treasurer)
	Christopher Thomson	
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)
Bankers:	CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ	
Honorary Legal Advisors:	Thompson Allen LLP, 6 Marlborough Place, Brighton BN1 1UB	
Independent Examiner	Nicholas Brown, FCA, DChA, Plummer Parsons, 18 Hyde Gardens, Eastbourne East Sussex, BN21 4PT	

**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.

**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.

## **Brighton & Hove Philharmonic Society Limited**

### **Trustees' Report (including Directors' Report) – Year ended 31 March 2017**

#### **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.

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.

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.

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. With the temporary closure of Congress Theatre in Eastbourne for refurbishment, and subsequent lack of LPO concerts, press advertising was taken out in the area to encourage people to travel to Brighton to see a full symphony orchestra in concert.

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. Donations from Friends and supporters of the orchestra made it possible to take two musicians from the orchestra into three primary schools in Brighton, to give interactive workshops focussing on Enescu's *Romanian Rhapsody No.1*. A fourth workshop was also provided to a group of students from the Brighton & Hove Furthering Talent project. The orchestra performed this piece in their 5 March concert and invited children from all Brighton & Hove primary schools to attend the rehearsal.

#### **Activities**

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

The 2016-17 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.

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**

The third *Brighton Connections* summer season of chamber music concerts took place in July & August 2016, performed by members of the orchestra in Brighton Unitarian Church. Concert Manager Ian Brignall programmed the series to feature works by local composers Robert Orledge, Jack Redman, Guy Richardson and John Hawkins alongside pieces by well-known composers such as Mozart, Bach, Dvořák and Haydn.

## **Brighton & Hove Philharmonic Society Limited**

### **Trustees' Report (including Directors' Report) – Year ended 31 March 2017**

Information Days at the Jubilee Library, Brighton were held in September and January to promote the orchestra and its concert programme at Brighton Dome. A number of visitors to the Society's stand in the library entrance added their details to the Society's e-mailing list to be kept up to date with news and activities of the orchestra. The Society now has an e-mailing list of nearly 300 in addition to Friends of the Phil.

A reception for sponsors and personal donors was held in the Mayor's Parlour in early November, where the Mayor of Brighton & Hove thanked them for their support. An optional tour of the Old Police Cells was included.

Members of the University of Sussex Symphony Orchestra were invited to the opening concert of the season, and children from the Brighton & Hove Furthering Talent project and their families were invited to the early December concert. (Furthering Talent was initiated by Awards for Young Musicians to help financially support young people with musical talent learning an instrument who could not otherwise afford to).

In January Chairman Nicolas Chisholm gave an illustrated talk about the History of the BPO to a group in Burgess Hill promoting the orchestra.

Once again the Society gave prizes of season tickets for next season to two Springboard Festival winners.

A reception for sponsors, personal donors and members of the orchestra was also held in Brighton Dome's Founders Room after the final concert of the season, Sun 26 March, attended by the Mayor of Brighton & Hove, at which a presentation was made to Peter Back (programme-note writer and Pre-Concert Interviewer) upon his retirement from these roles.

The Brighton Philharmonic Orchestra's main season of concerts opened with the Walton *Viola Concerto*, performed by Andriy Viytovych, programmed in conjunction with the LPO's planned performances of the Walton Violin & Cello Concertos in October and November. In November the orchestra were joined by Brighton Festival Chorus for the Verdi *Requiem*, dedicated to the memory of long-standing sponsor and supporter of the orchestra Mr Barry Fearn, who sadly died earlier that week. Guest conductor Richard Balcombe led *The Best of British Film Scores* concert in early December, whilst guest conductor Stephen Bell conducted the New Year's Eve Viennese Gala, joined by soprano Rebecca Bottone. Popular young guest conductors Ben Gernon & Thomas Carroll also took the podium during the season, the latter both directing and performing Haydn's *Cello Concert No.1*. Soloists ranged from pianists Martin Roscoe and Joseph Moog to violinist Chloë Hanslip. The season's repertoire aimed to feature popular composers and well-known pieces to attract larger audiences, so included Mozart, Elgar, Haydn, Schumann, Tchaikovsky, Brahms, Grieg, Dvořák and Mendelssohn, as well as pieces by lesser known composers such as Scriabin and Korngold.

Despite the continuing difficult economic climate we sustained the level of concert attendances of the previous season, attracting an average attendance of over a thousand per 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 £6 for a concession, rising to £37 for a premium seat in the Circle.

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, maintaining our reputation for high quality professional publications. The price increased to £4 and some advertising income was achieved.

As part of the strategy to bring classical music to young people, the orchestra arranged an open rehearsal of Enescu's *Romanian Rhapsody No.1* for local schoolchildren. Over 430 children and their parents/teachers attended this event on Sun 5 March - a pleasing increase on the previous year's attendance. This was the culmination of the orchestra's education programme which this year ran four workshops in Brighton & Hove. These interactive workshops introduced a further 200 children to the trumpet and percussion, and to the exciting music and gypsy rhythms of *Romanian Rhapsody No.1*. The Society is most grateful to those Friends and supporters who contributed financially to the education programme this year and to those who acted as stewards at the Open Rehearsal. Over the last three years the orchestra has reached over 1,000 children aged 6-11 in 18 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 orchestra's presence on social media grew to 280 Facebook likes and just over 1,000 Twitter followers during the year. Reciprocal social media marketing, and some print advertising, was undertaken with the Lewes Chamber Music Festival, BREMF and Brighton Festival Chorus.

## **Brighton & Hove Philharmonic Society Limited**

### **Trustees' Report (including Directors' Report) – Year ended 31 March 2017**

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, which has not always been possible in the past.

#### **Financial Review**

##### **Operating and Financial Review**

Income for the year ended 31<sup>st</sup> March 2017 totalled £323,071 compared to £409,823 in 2015/16. The main reason for the reduction in income was a lower level of legacies received (£71,232 compared to £145,514 in 2015/16). Other income including that from ticket sales was also slightly lower compared to the previous year.

Expenditure for the year totalled £358,578 compared to £369,561 in 2015/16. The reduction was mainly as a result of a slightly lower cost of delivering the Dome concert season.

The resulting outturn for the year was a loss of £35,507 compared to a surplus of £40,262 in 2015/16. Reserves as at 31<sup>st</sup> March 2017 stood at £96,186, which is below the target level of £150,000 (see below).

The budget for 2017/18 comprises income (excluding any legacies) of £281,000 and expenditure of £348,000, resulting in a loss for the year of £67,000. If no further legacies are received this will leave reserves of just £29,000 at 31<sup>st</sup> March 2018. The Trustees are aware that such an outcome will leave no scope for a 2018/19 programme to draw on further reserves and are actively considering options to achieve a viable programme in this scenario.

##### **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.

In practice it has not proved possible to achieve this level of reserves in recent years. The Trustees are aware of the risks of operating with a lower level of reserves and take active steps to ensure the Society does not become committed to expenditure that it is not confident can be covered from secure income 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**

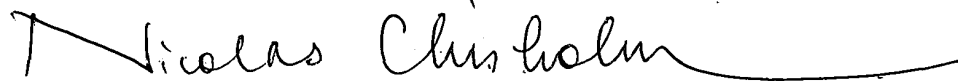
The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Brighton & Hove Philharmonic Society Limited**  
**Trustees' Report (including Directors' Report) – Year ended 31 March 2017**

Approved on behalf of the board on 25 September 2017.

A handwritten signature in black ink, reading 'Nicolas Chisholm', followed by a long horizontal flourish line.

Nicolas Chisholm, MBE (Chair)  
**Trustee**

# BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

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I report on the accounts of the charity for the year ended 31 March 2017, which are set out on pages 7 to 19.

#### Respective responsibilities of trustees and examiner

The charity's 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 member of the Institute of Chartered Accountants in England & Wales.

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.

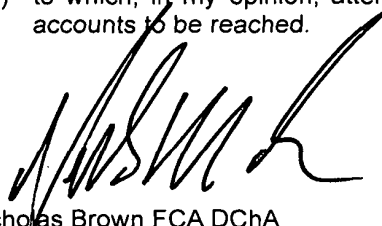
#### Basis of independent examiner's report

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 section 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: 25 September 2017



# BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b><u>Income from:</u></b>					
Voluntary income	3	100,755	-	100,755	177,311
Charitable activities	4	165,714	54,420	220,134	232,408
Other trading activities	5	1,913	-	1,913	104
Investments	6	269	-	269	-
<b>Total income</b>		<b>268,651</b>	<b>54,420</b>	<b>323,071</b>	<b>409,823</b>
<b><u>Expenditure on:</u></b>					
Raising funds	7	12,774	-	12,774	12,763
Charitable activities	8	291,384	54,420	345,804	356,798
<b>Total resources expended</b>		<b>304,158</b>	<b>54,420</b>	<b>358,578</b>	<b>369,561</b>
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(35,507)</b>	<b>-</b>	<b>(35,507)</b>	<b>40,262</b>
Fund balances at 1 April 2016		131,693	-	131,693	91,431
<b>Fund balances at 31 March 2017</b>		<b>96,186</b>	<b>-</b>	<b>96,186</b>	<b>131,693</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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 2017

	Notes	2017 £	£	2016 £	£
<b>Current assets</b>					
Debtors falling due after one year	13	2,000		2,000	
Debtors falling due within one year	13	4,016		20,660	
Cash at bank and in hand		95,596		116,388	
		101,612		139,048	
<b>Creditors: amounts falling due within one year</b>	14	(5,426)		(7,355)	
Net current assets			96,186		131,693
<b>Income funds</b>					
Unrestricted funds			96,186		131,693
			96,186		131,693

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 2017. 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 25 September 2017

  
Nicolas Chisholm MBE  
Trustee

Company Registration No. 00371316

# BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	18		(21,061)		29,502
<b>Investing activities</b>					
Interest received		269		-	
<b>Net cash generated from/(used in) investing activities</b>			269		-
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(20,792)		29,502
Cash and cash equivalents at beginning of year			116,388		86,886
<b>Cash and cash equivalents at end of year</b>			95,596		116,388

# BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2017

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#### 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

The accounts have been prepared in accordance with the 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)" (as amended for accounting periods commencing from 1 January 2016). 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 under 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.

##### 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.

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.

# BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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### 1 Accounting policies

(Continued)

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 2017

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### 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 payments 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 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 1.10 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 2017

#### 3 Voluntary income

	2017	2016
	£	£
Donations and gifts	4,244	6,571
Legacies receivable	71,232	145,514
Gift Aid	14,097	13,419
Membership subscriptions	11,182	11,807
	<u>100,755</u>	<u>177,311</u>

#### 4 Charitable activities

	Dome concert season	Other performances	Other	Total 2017	Total 2016
	£	£	£	£	£
Ticket sales	157,946	2,795	-	160,741	161,864
Engagement fees	-	-	-	-	11,320
Sponsorship, grants and donations	53,700	720	-	54,420	54,596
Programme sales and advertising	3,638	-	-	3,638	3,428
Education	-	-	1,335	1,335	1,200
	<u>215,284</u>	<u>3,515</u>	<u>1,335</u>	<u>220,134</u>	<u>232,408</u>
Analysis by fund					
Unrestricted funds	161,584	2,795	1,335	165,714	
Restricted funds	53,700	720	-	54,420	
	<u>215,284</u>	<u>3,515</u>	<u>1,335</u>	<u>220,134</u>	
<b>For the year ended 31 March 2016</b>					
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>

# BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 5 Other trading activities

	2017	2016
	£	£
Miscellaneous income	1,913	104

### 6 Investments

	2017	2016
	£	£
Interest receivable	269	-

### 7 Raising funds

	2017	2016
	£	£
<u>Costs of fundraising trading</u>		
Support costs (see note 9)	642	641
<u>Costs of generating voluntary income</u>		
Support costs (see note 9)	12,132	12,122
	12,774	12,763
<b>For the year ended 31 March 2016</b>		
Costs of fundraising trading		641
Costs of generating voluntary income		12,122
		12,763



# BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

#### 8 Charitable activities

	Dome concert season	Other performances	Friends activities	Total 2017	Total 2016
	£	£	£	£	£
Orchestra and artists	176,818	5,485	-	182,303	192,690
Hall hire	50,165	722	-	50,887	48,155
Instrument hire	3,077	-	-	3,077	6,559
Library	6,650	-	-	6,650	5,177
Concert manager	22,422	-	-	22,422	22,820
Commission	1,667	-	-	1,667	1,312
Programmes	8,367	-	-	8,367	7,579
Performing Rights Society fees	5,211	-	-	5,211	4,799
Marketing and communications	18,373	-	-	18,373	19,036
Other direct expenses	3,674	-	-	3,674	5,164
Equipment hire	605	-	-	605	1,114
	<u>297,029</u>	<u>6,207</u>	<u>-</u>	<u>303,236</u>	<u>314,405</u>
Share of support costs (see note 9)	31,497	2,931	2,405	36,833	36,803
Share of governance costs (see note 9)	5,735	-	-	5,735	5,590
	<u>334,261</u>	<u>9,138</u>	<u>2,405</u>	<u>345,804</u>	<u>356,798</u>
<b>Analysis by fund</b>					
Unrestricted funds	279,841	9,138	2,405	291,384	
Restricted funds	54,420	-	-	54,420	
	<u>334,261</u>	<u>9,138</u>	<u>2,405</u>	<u>345,804</u>	
<b>For the year ended 31 March 2016</b>					
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>

# BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 9 Support costs

	Support costs	Governance costs	2017	2016	Basis of allocation
	£	£	£	£	
Staff costs	30,750	2,674	33,424	33,609	Staff time
Office and maintenance	11,086	1,072	12,158	11,204	Staff time
Insurance	868	76	944	1,062	Staff time
Telephone and postage	2,867	249	3,116	3,373	Staff time
Print and computer costs	2,824	245	3,069	3,469	Staff time
Bank charges	272	24	296	299	Staff time
Legal and professional	288	25	313	13	Staff time
Miscellaneous	652	56	708	849	Staff time
Independent examination	-	639	639	630	Governance
Accountancy	-	675	675	648	Governance
	<u>49,607</u>	<u>5,735</u>	<u>55,342</u>	<u>55,156</u>	
<u>Analysed between</u>					
Fundraising	642	-	642	641	
Generating voluntary income	12,132	-	12,132	12,122	
Charitable activities	36,833	5,735	42,568	42,393	
	<u>49,607</u>	<u>5,735</u>	<u>55,342</u>	<u>55,156</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.

Payments were made to the accountants in the year of £639 (2016: £630) for independent examination fees and £675 (2016: £648) for other services.

### 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 £162 (2016: £525) were received from the trustees.

# BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 11 Employees

#### Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
Administration	2	2

#### Employment costs

	2017 £	2016 £
Wages and salaries	33,124	33,258
Social security costs	-	351
Other pension costs	300	-
	<u>33,424</u>	<u>33,609</u>

The number of full time equivalent employees in the year was 1 (2016: 1).

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

### 12 Financial instruments

	2017 £	2016 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	6,016	22,660
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	5,426	7,355

### 13 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	4,016	20,660
<b>Amounts falling due after more than one year:</b>		
Other debtors	2,000	2,000
<b>Total debtors</b>	<u>6,016</u>	<u>22,660</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 2017

#### 14 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	3,276	7,355
Accruals and deferred income	2,150	-
	<u>5,426</u>	<u>7,355</u>

#### 15 Retirement benefit schemes

##### Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £300 (2016 - Nil).

#### 16 Operating lease commitments

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:

	2017 £	2016 £
Within one year	9,450	4,500
Between two and five years	18,900	-
	<u>28,350</u>	<u>4,500</u>

Rental payments of £9,113 (2016: £9,000) are included in expenditure during the year.

#### 17 Related party transactions

There were no disclosable related party transactions during the year (2016- none).

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Key management personnel	<u>20,000</u>	<u>20,000</u>

# BRIGHTON & HOVE PHILHARMONIC SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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18	Cash generated from operations	2017 £	2016 £
	(Deficit)/surplus for the year	(35,507)	40,262
	Adjustments for:		
	Investment income recognised in statement of financial activities	(269)	-
	Movements in working capital:		
	Decrease/(increase) in debtors	16,644	(13,181)
	(Decrease)/increase in creditors	(1,929)	2,421
	<b>Cash (absorbed by)/generated from operations</b>	<u>(21,061)</u>	<u>29,502</u>