



PSAPPHA

(A company limited by guarantee)

TRUSTEES' REPORT AND

FINANCIAL STATEMENTS

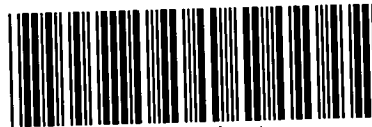
FOR THE YEAR ENDED

31 MARCH 2018

Charity number 1064129

Company number 3242428

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## **PSAPPHA**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018**

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ending 31 March 2018.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

Charity number            1064129

Company number        3242428

Principal office:        70 Parsonage Road, Withington, Manchester M20 4WR

Registered office:      70 Parsonage Road, Withington, Manchester M20 4WR

Independent Examiner:

Ian Wright, Ian Wright & Co, 15 Stretton Drive, Southport, Merseyside PR9 7DR

Bankers:

CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ

#### **Directors and trustees**

The directors of the charitable company ("the charity") are its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year and since the year end were as follows:

J Casken

R Davidson

J Garside (appointed 10 January 2018)

N Spearing (resigned 22 September 2017)

K E Stross (Chair)

D E Taylor

R S Wilson

Secretary:        T Williams

The trustees had no beneficial interest in the company. R S Wilson and R Davidson retire by rotation and being eligible, offer themselves for re-election. J Garside, being appointed during the year, offers himself for re-election.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing Document**

Psappha is a company limited by guarantee governed by its Memorandum and Articles of Association dated 16 March 2015. It is registered as a charity with the Charity Commission. Applications for membership must be approved by the trustees. There are currently 6 members (6 in 2017), each of whom agree to contribute £10 in the event of the charity winding up.

### **Appointment of trustees**

As set out in the Articles of Association the numbers of trustees shall not be less than four and no more than ten, unless otherwise determined by ordinary resolution. One quarter of the trustees retire annually by rotation, or if their number is not four or a multiple of four, the nearest to one quarter shall retire from office. All members are circulated with invitations prior to the AGM advising them of the retiring trustees and requesting nominations for the AGM.

### **Trustee induction and training**

New trustees undergo an orientation session to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes and recent financial performance of the charity.

During the induction session they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

### **Organisation**

The board of trustees administers the charity. The board meets six times a year. A manager is appointed by the trustees to control the day to day operations of the charity. To facilitate effective operations, the manager has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance and performance related activity.

### **Risk management**

The directors have assessed the major strategic, business and operational risks which the charitable company faces and confirm that systems have been established so that the necessary steps can be taken to lessen those risks. The directors consider that a significant risk to which the charity is exposed is loss of funding from trusts and statutory bodies. The directors seek to minimise the risk of insufficient funding by maintaining close contacts with the trusts and statutory bodies in order to secure grant support in advance of requirements. Additionally, the directors have also established a reserves policy to ensure the immediate survival of the charity in the shorter term if the charity should find itself unexpectedly facing a short-term funding gap. A system of financial controls is also in place to assist in forward planning whereby any potential funding shortfalls are identified in advance so that appropriate action can be taken.

### **Objectives and activities**

The objects of the charity are to promote, improve and advance education by the encouragement of the Arts with particular reference to performing, broadcasting, publishing, education work and commissioning new work in the genre of music and music-

theatre of the twentieth century or the century then current at the time of commissioning. The principal activity of the company is the operation of a contemporary music ensemble.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. Psappha relies on grants and the income from fees to cover its costs.

The strategies employed to achieve the charity's aims and objectives are to:

- present a broad range of performances for the enjoyment and education of audiences throughout the UK;
- make tickets available for Psappha's live performances at reasonable prices to allow a wide cross-section of the community to enjoy its work;
- offer opportunities for a broad range of people to see our performances for free through online webcast live performances and the maintenance of a rich online archive of our performances;
- provide support and mentoring to emerging composers;
- provide pre performance events free of charge to audience members;
- provide music education resources for young people and their teachers through our web site;
- work in partnership with other arts organisations, including organisations in fields such as dance, opera and the visual arts.

Putting these strategies into action we have three major areas of activity which are: live concerts and staged performances; educational programmes, including residences and online resources; and online performances. Our programme of activities described below focus very much on bringing the arts to the general public of the UK. As our strategy makes clear we endeavour to encourage all within the UK to see our work and to attend our performances. Affordability and access to our performances is reflected in the pricing policy of our self-promoted events and the provision of free to view performances through our website.

### **Achievements and performance**

Psappha is unique in its artistic offering as northern England's only stand-alone professional contemporary music ensemble; we provide audiences with a cultural experience that would not otherwise be available to them.

We strive to ensure that our work is accessible and that the number and range of people experiencing it increases; we perform unique programmes, including cross-genre material such as jazz and music-theatre, in a variety of venues.

Talent Development in the form of supporting composers at all stages of their career is also a vital strand of our work.

### ***Manchester Series:***

Psappha's 2017-18 season featured five Manchester concerts that were designed to showcase the best of contemporary classical music today. The artistic programme featured music inspired by words, art, film, and dance, as well as music that connected with jazz, popular and world music. Psappha gave five world première performances during the year

and performed to capacity and near capacity audiences in the ensemble's two Ancoats venues.

The series opened in October 2017 with a performance that had an all-female composer line-up, featuring works by Sarah Kirkland Snider, Molly Joyce, and Anna Clyne. Kirkland Snider's *Penelope* was the centrepiece of this concert. The concert was reviewed in Mancunian Matters which said: "*Psappha performed to a dazzled crowd at Halle St Peter's.... their adaptation of Penelope proves a must watch and must listen.*"

This was followed, in November 2017, by two concerts as part of the prestigious New Music North West festival. In the first, a joint concert with the BBC Philharmonic in their Salford base, Psappha gave second performances of works by Tom Coult and David Horne, both works that were commissioned by Psappha the previous year. BBC Radio 3 also recorded and broadcast the concert. The second New Music North West concert featured the world première of Philip Cashian's *Leonora Pictures*. Supported by a PRS Foundation grant we worked with Cashian over a period of six months to support the creation of the piece and were delighted with the resulting work (US première in New York, July 2018). The concert also featured works by Richard Whalley, Brian Elias and Mark-Anthony Turnage in a concert that was attended by all of the composers, with each introducing their work from the platform.

February 2018 saw a concert that showcased the next generation of talent with our Artistic Director's pick of the best six works from Psappha's recent emerging composer schemes (including three world première performances). The concert was recorded and broadcast by BBC Radio 3 giving the composers fantastic additional exposure. The programme also featured works by more established composers Charlotte Bray and Anna Clyne in a concert that had a 50:50 balance of female and male composers.

This was followed, in March 2018, with a concert that brought together a contemporary classic of the 20th century, Boulez' *Le Marteau sans maître*, and the world première of a Psappha commission from early career composer Tom Harrold. Tom first came to the attention of our Artistic Director in 2015-16 when he applied for and was selected to take part in our *Composing for Cello* scheme. For 2017-18 we were able to build on our relationship and commission Tom to write a new work for viola and ensemble. He was present at the performance and gave a spoken introduction to the work on the night. We were delighted with the quality of the work and with the warm reception it received from an engaged audience. The concert was Richard Morrison's "Book Now" choice in The Times and received a "Live Choice" recommendation in BBC Music Magazine. The Review Hub described Harrold's *Dark Dance* as "*a daring piece*" and the Boulez as "*a demanding piece that displays the full talents of the Psappha ensemble.*"

The Manchester concert series was supported by our *Demystifying New Music* programme of pre-concert events. These included films and discussions designed to enable audiences to learn more and become more familiar with the featured works or composers. We estimate that 75% of our concert audience attended the pre-concert events. Our audience questionnaires for the 2017-18 Manchester series (sent to audience members after each performance through The Audience Agency's Audience Finder scheme) reveal exceptionally high approval ratings; "quality of performance" and "the whole experience" were rated as 'very good' by 90% of respondents (with the other 10% rating both as 'good') compared with approval ratings of 66% and 69% respectively across all North West

organisations in the same Audience Finder survey. 92% of respondents said that they would “strongly recommend Psappha to a friend, family member or colleague.”

#### *Touring Activity:*

In April 2017 Psappha collaborated with In Company Collective to give five performances of the music-theatre piece *Black*, which explores issues of race, sexuality and mental health. In Company Collective is a BAME-led organisation that focusses on raising awareness around “taboo” issues through art and culture. Through the collaboration Psappha performed *Black* at Stratford East (London). The piece ranges in style from classical to jazz and popular music and features Nigerian singer Le Gateau Chocolat. A key aim for us was to engage with a more diverse audience, including people who do not traditionally engage with Psappha or with classical music. 57% of the audience were new to the venue and the nature of the project means that the majority of the audience will also have been new to Psappha.

#### *International activity:*

Psappha was invited by the Artistic Director of the Jerusalem Festival to travel to Israel in June 2017 to give a performance at the Museum of Israel as part of the Jerusalem Festival. The programme included Arnold Schoenberg's *Chamber Symphony No.1 Op.9* (arr. Anton Webern), Mark Simpson's *Ariel*, and Peter Maxwell Davies' *Eight Songs for a Mad King*, a work that is particularly strongly associated with Psappha. The tour helped to build the reputation and reach of the ensemble beyond the UK, something that is supported by our strong digital profile internationally; Psappha's YouTube Channel was viewed in 189 countries in 2017-18 with particularly strong followings in the US, Canada and Europe, and with significant audiences in eg Japan, Brazil, Australia, Mexico, and Taiwan also.

#### *Talent Development:*

In addition to our concert programme 2017-18 saw Psappha continue with its now well established *Composing For...* talent development programme. Twenty-four emerging composers were supported through the scheme, working with Psappha's expert musicians over a period of six months to each create a piece for solo instrument or for duo. *Composing For...* equips participants with the skills and experience needed to take their careers forward, culminating in a series of filming days where we made multi-camera HD films of the finished works from the programme. These are now available to view on Psappha's YouTube Channel and are a fantastic “calling card” for the composers involved.

We introduced a non-Western instrument – Chinese guzheng – into the scheme for the first time in 2017-18. This is something that we will aim to build on in 2018-19. Supported by our Equality and Diversity Policy and our Equality Action Plan, we encourage applications from a diverse range of composers, always making this clear on the composer call. We also welcome applications from composers working in genres other than classical and the call states this. We have always collected equal opportunities monitoring data from participants in our schemes. In 2017-18, for the first time, we also collected equal opportunities data from applicants. This has enabled us to establish a baseline of who currently applies and who is successful, and to identify who doesn't yet apply and who isn't yet successful. This will help us to target those who are currently under-represented for our future schemes. We will publish a summary of the equal opportunities data from the *Composing For* programme on Psappha's website as we believe that transparency will help us to effect change.

In addition to the *Composing For* scheme we also supported six advanced students of composition at the University of Manchester and five at the Royal Northern College of Music.

#### *Digital:*

We make multi-camera HD films of our performances which are made available online via our YouTube channel, extending the reach and impact of our work beyond the concert platform. Digital has been a key success for us in 2017-18; views of our YouTube Channel have doubled over two years (31,021 views in 2015-16, 42,996 in 2016-17, 69,674 in 2017-18). Films from the 2017-18 season will be made available online over the coming months. We now offer 140+ HD, multi-camera films of Psappha performances online, plus 15+ short films providing information about performances, works or venues. This resource is added to year on year, making our work accessible nationally and internationally.

#### **Financial Review**

The charity achieved a satisfactory financial result in 2018. On the General Fund, Income exceeded expenditure by £4,000, (2017: income exceeded expenditure by £70). The balance on the General Fund at 31 March 2018 was £30,488. Designated Funds at 31 March 2018 were £28,000. Restricted Funds at 31 March 2018 were £30,616. The Trustees were satisfied that the budget for the year was in line with the actual year-end results.

Income from musical engagements was £71,927 and income from music downloads and sales of CDs was £118.

Expenditure was £189,665.

The charity was in a satisfactory financial position at 31 March 2018 with general reserves of £30,488 and £86,287 was held in cash at bank. Free reserves, calculated as unrestricted funds less the net book value of fixed assets, were £30,488 at 31 March 2018. Designated Funds to support the 2018-19 season were £28,000. General Funds were £30,488. The funds available for use were £30,488, comprising the General Funds of £30,488 less the net book value of fixed assets of £nil.

#### **Investment powers and policy**

Under the memorandum and articles of association, the charity has the power to invest in any way the trustees wish.

The trustees have operated a policy of keeping available only sufficient funds to meet expected financial requirements. Funds are all held in bank current accounts and a bank deposit account.

#### **Reserves policy**

The trustees have established the level of reserves (that is those funds that are freely available) that the charity ought to have. Reserves are needed to bridge the gap between spending on productions and events and receiving resources through admission charges and grants that provide funding.

Psappha Limited aims to make a small surplus through its engagements. It is intended that any such surplus will be used to ensure that the reserves policy is maintained. Additionally, it is intended that any such surplus will be used as a contingency fund in order to effectively manage any deviations in budget expectations or to assist in maintaining a positive cash

flow balance if required. Following this, the trustees have a policy of retaining no more further reserves than are necessary to meet estimated future commitments of the charity.

The actual reserves at 31 March 2018 were £30,488. In calculating reserves, the trustees have excluded from total funds tangible fixed assets of £nil and the Designated Funds of £28,000.

### **Plans for future periods**

For 2018-19 we plan to give a series of six Manchester concerts, including Psappha commissions from Lucy Armstrong and Stephen Pratt. Following the success of our 2017-18 Demystifying New Music series of pre-concert events, we will include pre- or post-concert events at all our self-promoted Manchester concerts.

May 2018 will see a performance at The Whitworth art gallery in a collaboration that involves the commissioning of four new works in response to art and to the gallery space itself. This is an exciting project that we hope to build on in future as part of our development strategy.

June 2018 will see Psappha support two performances of Adam Gorb's new opera in Leeds (Howard Assembly Rooms) and Manchester (RNCM). We are also planning a three performance tour to Newcastle over the course of the year.

We will support 24 emerging composers through our Composing For programme, again including an instrument from outside the standard classical orchestral range. We will also work with The University of Manchester and Royal Northern College of Music supporting the development of composers studying in Manchester.

We will continue to develop our digital offer and will film and sound record the majority of our performances and will make elements available through our YouTube and Vimeo channels.

Our commitment to audience development remains strong. We will continue to collect, analyse and respond to audience data and feedback, supported by The Audience Agency. We will also continue to develop our Patrons scheme, offering a programme of special events for our Patrons and establishing our Composition Bank scheme to support commissions, supported by Arts Council England's Catalyst Evolve scheme. The scheme will continue to match fund new donations and grants during the course of 2018-19, supporting Psappha to continue to widen its funding base.

We are thrilled to have been retained by Arts Council England as a National Portfolio Organisation for the period 2018 – 22 and we look forward to continuing our successful relationship. We are also delighted to continue as a PRS Foundation Talent Development Partner for 2018-19.



**Trustees' responsibilities in relation to the financial statements**

The charity trustees (who are also the directors of Psappha Limited for the purposes of company law) are responsible for preparing the trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law and the law applicable to charities in England and Wales requires the charity trustees to prepare financial statements each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the 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 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 business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the Memorandum and Articles of Association. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Special provisions relating to small companies**

This report has been prepared in accordance with the provisions of the Companies Act 2006 applicable to companies subject to the small companies' regime.

Approved by the Trustees on 2<sup>nd</sup> July 2018 and signed on their behalf by:-



K Stross  
Chair

## **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF PSAPPHA**

I report to the charity trustees on my examination of the accounts of Psappa for the year ended 31 March 2018, which are set out on pages 10 to 20.

### **Responsibilities and basis of report**

As the charity's trustees of Psappa (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of Psappa are not required to be audited under part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### **Independent examiner's statement**

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

1. Accounting records were not kept in respect of Psappa as required by section 386 of the 2006 Act; or
2. The accounts do not accord with those records; or
3. The accounts do not comply with the accounting requirements of section 386 of the 2006 Act 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; or
4. The accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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.

*Ian Wright*

*2nd July 2018*

.....  
Ian Wright F.C.A.  
Ian Wright & Co  
15 Stretton Drive  
Southport  
PR9 7DR

**PSAPPHA**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
<b>Income and endowments from:</b>					
Donations and legacies	3	5,334	126,000	131,334	174,848
Charitable activities:					
Musical productions	4	72,045	-	72,045	84,107
Investments	5	1		1	1
		<hr/>	<hr/>	<hr/>	<hr/>
Total		77,380	126,000	203,380	258,956
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditure on:</b>					
Charitable activities					
Musical productions	6	66,656	123,009	189,665	209,985
		<hr/>	<hr/>	<hr/>	<hr/>
Total		66,656	123,009	189,665	209,985
		<hr/>	<hr/>	<hr/>	<hr/>
Net income and net movement of funds for the year		10,724	2,991	13,715	48,971
Total funds brought forward	15	47,764	27,625	75,389	26,418
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward	15	58,488	30,616	89,104	75,389
		<hr/>	<hr/>	<hr/>	<hr/>

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

All income and expenditure derive from continuing activities.

The notes on pages 12 to 19 form part of these financial statements.

**PSAPPHA**  
**Company number 3242428**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2018**

	Notes	2018		2017	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible Fixed Assets	11		-		77
			<hr/>		<hr/>
<b>Current assets</b>					
Stocks	12	2,110		2,110	
Debtors	13	13,932		23,058	
Cash at bank and in hand		86,287		71,915	
		<hr/>		<hr/>	
			102,329		97,083
<b>Creditors: amounts falling due within one year</b>	14		(13,225)		(21,771)
			<hr/>		<hr/>
<b>Net current assets</b>			89,104		75,312
			<hr/>		<hr/>
<b>Total net assets</b>			89,104		75,389
			<hr/>		<hr/>
<b>The funds of the charity</b>					
<b>Unrestricted income funds</b>					
General	15	30,488		26,488	
Designated	15	28,000		21,276	
<b>Restricted income funds</b>	15	30,616		27,625	
		<hr/>		<hr/>	
<b>Total charity funds</b>		89,104		75,389	
		<hr/>		<hr/>	

The trustees confirm that:

- (a) For the year ended 31 March 2018 the company was entitled to the exemption from audit under section 477 of the Companies Act 2006 relating to small companies.
- (b) The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.
- (c) The trustees acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts;
- (d) These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Trustees on 2<sup>nd</sup> July 2018 and signed on their behalf by



K Stross - Chair

The notes on pages 12 to 20 form part of these financial statements.

**PSAPPHA**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**1. Accounting policies**

**a) Basis of preparation**

The financial statements have been prepared under the historic cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Psappha meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognized at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

**b) Going Concern**

Income exceeded expenditure on the General Fund by £4,000 (2017: income exceeded expenditure by £70). General reserves of £30,488 less fixed assets of £nil were £30,488 at 31 March 2018, which was equivalent to 5 months' running costs. The trustees expect to be able to meet the charity's liabilities as they fall due so the trustees are of the view that the charity is a going concern. Accordingly, these financial statements have been prepared on a going concern basis.

**c) Income**

Income including donations, gifts and legacies and grants that provide core funding or are of general nature is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support production activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income is deferred when admission fees or production related grants are received in advance of the productions or events to which they relate.

**d) Volunteers and donated services and facilities**

During 2017-18 a team of volunteers acted as concert hosts for the four Ancoats performances, giving 64 hours of time. At the National Living Wage of £7.50 per hour the value of the time would be £480.

There were no other services provided by volunteers or donated services or facilities.

## PSAPPHA

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

#### e) Interest receivable

Interest on funds held in bank accounts is included when receivable by the charity.

#### f) Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements and production related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

- Charitable activities include expenditure associated with musical productions.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include the fees for the manager, the office costs, rent and depreciation, which all relate to the musical productions.

#### g) Tangible fixed assets

Individual fixed assets costing £300 or more are capitalised at cost.

Tangible fixed assets are depreciated on a straight line basis over their expected useful lives as follows:-

Asset category	Annual rate
Office equipment	over 4 years
Musical instruments	over 4 years
Stage and recording equipment	over 4 years

#### h) Stocks

Stock is included at the lower of cost or net realisable value. Stocks comprise CDs and LPs for sale.

#### i) Funds structure

The Trust has restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

All other funds are unrestricted income funds.

The funds held in each of these categories are disclosed in note 15.

#### j) Cash Flow Statement

The trustees have taken advantage of adopting Update Bulletin 1 of the Charities SORP (FRS102) in order to disapply the requirement to produce a cash flow statement.

## 2. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10. Members of the company are the directors.

# PSAPPHA

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 3. Donations and legacies

	2018	2017
	£	£
Arts Council of England	82,000	82,000
Arts Council of England – Catalyst Evolve	-	23,825
PRS Foundation – Beyond Borders Tour	-	10,000
PRS Foundation – Composing For and Talent Development	20,000	20,000
Miss Gladys Jones Deceased Charitable Trust	1,000	-
Golsoncott Trust	1,000	-
John S Cohen Trust	4,000	-
Garrick Trust	4,000	-
RVW Trust	2,000	2,000
Radcliffe Trust	5,000	5,000
Granada Foundation	3,000	2,000
Michael Tippett Foundation	2,000	-
Fidelio Trust	2,000	-
The Mercers Company	-	2,425
Hinrichsen Foundation	-	1,500
Ernst Von Siemens Trust	-	5,322
Garfield Weston Trust	-	7,500
Leche Trust	-	1,000
Britten Pears Foundation	-	1,500
Britten Pears Foundation Coult Commission	-	2,500
Fenton Arts Trust	-	4,000
Gift Aid	228	-
Donations	-	200
Patrons	5,106	4,076
	<u>131,334</u>	<u>174,848</u>

### 4. Income

	2018	2017
	£	£
Engagements	57,041	79,197
Arts Council England Catalyst		
Matched Funding	12,261	-
Box office	2,625	4,638
Music downloads, LP and CD sales	118	272
	<u>72,045</u>	<u>84,107</u>

### 5. Income from investments

	2018	2017
	£	£
Bank interest received	<u>1</u>	<u>1</u>

## PSAPPHA

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

#### 6. Analysis of expenditure on charitable activities

	2018	2017
	£	£
Expenses of engagements and self promoted performances	132,499	154,904
Music downloads, LP and CD production costs	-	40
Support costs (note 7)	57,166	55,041
	<u>189,665</u>	<u>209,985</u>

#### 7. Allocation of support

Support costs:	2018	2017
	£	£
Administrators' fees & salaries	39,538	39,575
Support staff contingency	2,871	310
Artistic Director travel cost	-	756
Rent, rates, services	-	360
Telephone, stationery, postage, insurance	1,339	2,125
Office equipment	-	1,530
Small equipment for performances	1,015	-
Computer and internet	687	471
Depreciation	77	78
Public relations and marketing	10,422	8,944
Bank charges	72	61
Board development and governance	117	241
Patrons' Event	63	-
Accountancy	965	590
	<u>57,166</u>	<u>55,041</u>

The support costs all relate to the musical productions.

#### 8. Staff costs, trustee remuneration and expenses, and the cost of key management personnel

There were no employees other than the directors, who were the trustees. The trustees were not paid during the year (2017:nil). Expenses of £104 were reimbursed to two trustees during the year (2017:£78).

The key management personnel comprise the trustees, and self employed General Manager, Artistic Director and Development Manager. The total benefits paid to the key management personnel were £39,538 (2017: £39,575).



# PSAPPHA

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 9. Staff numbers

The average employee numbers were as follows:

	2018	2017
Directors	<u>6</u>	<u>6</u>

### 10. Tax on profit on ordinary activities

The company is a registered charity and no provision is considered necessary for taxation. The charity's primary purpose is exempt from income tax and corporation tax under section 505 of the Income and Corporation Taxes Act 1988.

### 11. Tangible Fixed Assets

	Office Equipment	Musical Instruments	Stage & Recording Equipment	Total
	£	£	£	£
Cost				
At 31 March 2017	<u>4,852</u>	<u>1,403</u>	<u>1,714</u>	<u>7,969</u>
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2018	<u>4,852</u>	<u>1,403</u>	<u>1,714</u>	<u>7,969</u>
Depreciation				
At 31 March 2017	4,775	1,403	1,714	7,892
Charge for the year	<u>77</u>	<u>-</u>	<u>-</u>	<u>77</u>
At 31 March 2018	<u>4,852</u>	<u>1,403</u>	<u>1,714</u>	<u>7,969</u>
Net Book Value at 31 March 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value at 31 March 2017	<u>77</u>	<u>-</u>	<u>-</u>	<u>77</u>

### 12. Stocks

	2018	2017
	£	£
Psappha LPs for sale	<u>2,110</u>	<u>2,110</u>

### 13. Debtors

	2018	2017
	£	£
Trade debtors	13,430	22,325
Prepayments	<u>502</u>	<u>733</u>
	<u>13,932</u>	<u>23,058</u>

**PSAPPHA**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**14. Creditors: amounts falling due within one year**

	2018	2017
	£	£
Trade creditors	2,690	1,692
Other taxes and social security	2,747	2,419
Accruals	540	540
Deferred income	7,248	17,120
	<u>13,225</u>	<u>21,771</u>

**15. Analysis of charitable funds**

**Analysis of unrestricted fund movements**

	Balance at 31 March 2017	Income	Expenditure	Transfer	Balance at 31 March 2018
	£	£	£	£	£
General fund	26,488	77,380	66,656	(6,724)	30,488
Designated fund	21,276	-	-	6,724	28,000
Total	<u>47,764</u>	<u>77,380</u>	<u>66,656</u>	<u>-</u>	<u>58,488</u>

The Designated Fund is to support the 2018-19 season.

	Balance at 31 March 2016	Income	Expenditure	Transfer	Balance at 31 March 2017
	£	£	£	£	£
General fund	26,418	67,108	67,038	-	26,488
Designated fund	-	21,276	-	-	21,276
Total	<u>26,418</u>	<u>88,384</u>	<u>67,038</u>	<u>-</u>	<u>47,764</u>

The Designated Fund was to support the 2017-18 season.

# PSAPPHA

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 15. Analysis of charitable funds (contd.)

#### Analysis of restricted funds movements

	Balance at 31 March 2017	Income	Expenditure	Balance at 31 March 2018
	£	£	£	£
Arts Council of England	-	82,000	82,000	-
Arts Council of England –	22,625	-	7,831	14,794
Catalyst Evolve				
PRS Foundation	1,000	20,000	5,178	15,822
Miss Gladys Jones Deceased Charitable Trust	-	1,000	1,000	-
Golsoncott Trust	-	1,000	1,000	-
John S Cohen Trust	-	4,000	4,000	-
Garrick Trust	-	4,000	4,000	-
RVW Trust	-	2,000	2,000	-
Radcliffe Trust	-	5,000	5,000	-
Granada Foundation	-	3,000	3,000	-
Michael Tippett Foundation	-	2,000	2,000	-
Fidelio Trust	-	2,000	2,000	-
Fenton Arts Trust	4,000	-	4,000	-
Total	27,625	126,000	123,009	30,616

Grants and donations were received from Statutory Bodies and Trusts towards the cost of certain productions and administrative expenses.

It should be noted that the balance of £15,822 from a grant received from PRS Foundation was spent shortly after the end of the financial year. This was due to the timing of Psappha's Talent Development programme.

Arts Council of England – 2017/18 season

Arts Council of England – Catalyst Evolve – Catalyst Evolve project

PRS Foundation – 'Composing For' programme and 2017/18 Manchester Series (Talent Development)

Miss Gladys Jones Deceased Charitable Trust – 2017/18 Manchester Series

Golsoncott Trust – 2017/18 Manchester Series

John S Cohen Trust – 2017/18 Manchester Series

Garrick Trust – 'Composing For' programme

RVW Trust – 2017/18 season

Radcliffe Trust – 2017/18 Manchester Series

Granada Foundation – 2017/18 Manchester Series

Michael Tippett Foundation – 2017/18 Manchester Series (New Generation Composers Showcase)

Fidelio Trust – 2017/18 Manchester Series (Tom Harold Commission)

**PSAPPHA**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**15. Analysis of charitable funds (contd.)**  
**Analysis of restricted funds movements**

	Balance at 31 March 2016	Income	Expenditure	Balance at 31 March 2017
	£	£	£	£
Arts Council of England	-	82,000	82,000	-
Arts Council of England – Catalyst Evolve	-	23,825	1,200	22,625
PRS Foundation		10,000	10,000	-
PRS Foundation – Talent Development	-	20,000	19,000	1,000
The Mercers Company	-	2,425	2,425	-
Hinrichsen Foundation	-	1,500	1,500	-
RVW Trust	-	2,000	2,000	-
Ernst Von Siemens Trust	-	5,322	5,322	-
Garfield Weston Trust	-	7,500	7,500	-
Leche Trust	-	1,000	1,000	-
Britten Pears Foundation – Horne Commission	-	1,500	1,500	-
Britten Pears Foundation – Coult Commission	-	2,500	2,500	-
Radcliffe Trust	-	5,000	5,000	-
Granada Foundation	-	2,000	2,000	-
Fenton Arts Trust	-	4,000	-	4,000
<b>Total</b>	<b>-</b>	<b>170,572</b>	<b>142,947</b>	<b>27,625</b>

Grants and donations were received from Statutory Bodies and Trusts towards the cost of certain productions and administrative expenses.

Arts Council of England – 2016/17 season  
 Arts Council of England – Catalyst Evolve – Catalyst Evolve project  
 PRS Foundation – 2016/17 season – Beyond Borders Tour  
 PRS Foundation – Talent Development – Talent Development project  
 The Mercers Company – 2016/17 season  
 Hinrichsen Foundation – 2016/17 season  
 RVW Trust – 2016/17 season  
 Ernst Von Siemens Trust – Commission Tom Coult and David Fennessy  
 Garfield Weston Trust – 25<sup>th</sup> Anniversary concerts  
 Leche Trust – 25<sup>th</sup> Anniversary concerts  
 Britten Pears Foundation Horne Commission – David Horne Commission  
 Britten Pears Foundation Coult Commission – Tom Coult Commission  
 Radcliffe Trust – 25<sup>th</sup> Anniversary concerts  
 Granada Foundation – 25<sup>th</sup> Anniversary concerts  
 Fenton Arts Trust – 'Composing For'

**PSAPPHA**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**16. Analysis of net assets between funds**

	General Fund £	Designated Fund £	Restricted Fund £	Total Funds £
Tangible fixed assets	-	-	-	-
Cash at bank and in hand	37,671	28,000	20,616	86,287
Other net current assets/(liabilities)	(7,183)	-	10,000	2,817
	<u>30,488</u>	<u>28,000</u>	<u>30,616</u>	<u>89,104</u>