



**Basement Orchestra**  
**(a charitable incorporated organisation)**

**Report and Financial Statements**

**Year Ending 31 August 2021**

**CIO Number 1168189**



## **Legal and Administrative Information**

<b>Trustees</b>	Polly Gannaway Guy Jones Claire Pettitt Alix Harper
<b>CIO number</b>	1168189
<b>Principal address</b>	9 Graveney Grove London SE20 8QH
<b>Bankers</b>	National Westminster Bank plc 135 Bishopsgate London EC2M 3UR

# BASEMENT ORCHESTRA

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## **Trustees' report for the year ending 31 August 2021**

The trustees are pleased to present their annual report together with the financial statements of the CIO for the year ending 31 August 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities Act 2011, the CIO's Constitution, 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).

### **Our artistic values, purposes and activities**

The purposes of the CIO are :

To promote, improve, develop and maintain public appreciation of the art and science of music and the performing arts by the preparation for and presentation of concerts, and through other ways as the organisation through its trustees shall determine from time to time.

Basement Orchestra aims to advance the education of the public in all aspects of musical performance. We seek to bring western classical music to unexpected places using creative programming, non-traditional performance venues with a relaxed atmosphere (such as multi-purpose performance venues and outdoor music festivals) and an informative approach to performances, where for example the music, the composer and its background are introduced live from the concert platform. Lesser-known works and composers are promoted over classical repertoire 'hits'.

Basement Orchestra also aspires to promote the finest classical music to new audiences, through a combination of carefully chosen programming, affordable ticket prices, using venues with a diverse audience base and applying an informal approach to musical performance. Collaborations with performance artists and promoters specialising in different genres, for example music festivals, jazz and musical theatre vocalists and drag artists provide an opportunity for both the Orchestra and its partners to reach each others' core audience members who otherwise may not normally experience such artforms. Although the Orchestra's concerts and events are designed to make classical music more approachable to accommodate audiences who may not be so familiar with the genre, the quality of the performance and the promotion of western classical music is always at the core of Basement Orchestra's ethos.

The Orchestra's final main objective is to further the social and cultural welfare of the community throughout London and the South-East. This has been achieved through our residency at The Grand in Clapham, a venue that champions diverse acts and audiences, and collaborations with local musicians, composers, arrangers and performance artists as well as performing across London and the South East.

### **Achievements and Performance**

Due to the effects of the Covid-19 pandemic and the associated lockdowns, there was no performance activity for Basement Orchestra relating to the 20/21 financial year. Income therefore consisted of a small amount of merchandise income and costs were purely overheads, including website fees, insurance and fixed asset depreciation.

Following the easing of restrictions, in August 2021 Basement Orchestra was able to restart its activities, starting with a series of rehearsals for two performances in September 2021. As these performances fell into the 21/22 financial year, all associated rehearsal costs and subscription income from members of the orchestra for these rehearsals were deferred to the next financial year.



## **Trustees' report for the year ending 31 August 2021 (contd.)**

### **Financial Review**

This is the fifth set of financial statements for Basement Orchestra CIO and follows a standard 12-month accounting year.

Income for the 12 months ending 31 August 2021 is £76 (2020: £2,052), with expenditure being £420 (2020: £2,188). The CIO is therefore reporting a deficit for the period of £344 (2020: deficit of £136).

Reserves at 31 August 2021 are £2,349 (2020: £2,693), all of which are unrestricted.

### **Reserves policy**

Basement Orchestra CIO's reserves policy is designed to set out the amount of reserves Basement Orchestra should prudently have on average during the period. The specific risks the trustees have identified are as follows:

1. Amounts needed to cover unforeseen emergencies such as the cancellation of one or more concerts or events, which would lead to loss of revenue which would have been built into the budget for the period.
2. The need to fund short-term deficits in the CIO's cash budget from time to time.

Having given the matter full consideration, the trustees consider a prudent level of reserves to be not less than £4,000, which roughly equates to the cancellation cost of a typical large event should we ever need to forfeit the entire hire fee. The level of reserves in place as at 31 August 2021 falls below this figure. This is due to the need to pause activity during the financial year due to the effects of the Covid-19 pandemic and associated lockdowns, meaning the cancellation of events that were expected to bring in sufficient income during the year to increase the Orchestra's reserves to the target level.

### **Plans for future periods**

Following the success of performances at The Grand in Clapham, we intend to organise further events in collaboration with the venue as soon as it is safe to put on live performances once again. We also plan to continue our creative partnership with our soloists and our trusted team of composers and arrangers.

In the following period we will continue to follow government guidance in relation to gatherings and social distancing, and performances will only take place if deemed safe to do so and if they are guaranteed to go ahead, in order to minimise the risk of further losses from cancelled performances. We will continue to invite donations from members and supporters of the orchestra in order to assist the Orchestra with its overheads whilst it is unable to generate any income during the pandemic.

### **Trustees**

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

Chair:	Polly Gannaway
Deputy Chair:	Guy Jones
Secretary:	Claire Pettitt
Treasurer:	Alix Harper



## **Trustees' report for the year ending 31 August 2021 (contd.)**

### **Structure, Governance and Management**

Basement Orchestra is a charitable incorporated organisation (CIO) governed by its constitution dated 18 June 2016. It is registered as a CIO with the Charity Commission.

The CIO is administered by the board of trustees. The board typically meets biannually, and informal sub-committees democratically appointed to assist with orchestral section management, planning, development, communications and finance meet on an ad hoc basis. Any current playing member of Basement Orchestra who pays subscription fees to play in the Orchestra (i.e. not concert/rehearsal deps and soloists) can be a member of one or more sub-committees and can vote in members of the sub-committees. The trustees' decisions regarding the CIO's operations are final.

### **Related parties and co-operation with other organisations**

Guy Jones (Deputy Chair), in his capacity as Musical Director of the Orchestra, received £nil (2020: £nil) in conducting fees as allowed by clause 6 of the constitution. Guy Jones received £nil (2020: £nil) and Polly Gannaway received £nil (2020: £nil) as reimbursement for necessary travel costs to rehearsals and performances as allowed by clause 6 of the constitution. Any connection between a trustee of the CIO with a production company, performer or musician receiving payment for services from Basement Orchestra must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. In the current year no such related party transactions were reported.

Basement Orchestra has forged a close relationship with The Grand, Clapham where it is the resident orchestra.

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

The CIO's trustees are responsible for preparing a trustees' annual report and financial statements in accordance with the Charities Act 2011 and Charities SORP and in a way which gives a true and fair view of the state of affairs of the CIO and of the incoming resources and application of resources, including the income and expenditure, of the CIO 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 UK 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 CIO. They are also responsible for safeguarding its assets and hence taking reasonable steps for the prevention and detection of fraud and other irregularities. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the board of Trustees  
Polly Gannaway (Chair)

A handwritten signature in black ink, appearing to read "Polly Gannaway", with a stylized flourish at the end.

29 June 2022



**Statement of Financial Activities**  
**(including an income and expenditure account)**  
**For period ending 31 August 2021**

	<b>Note</b>	<b>Total Funds 2021 (£)</b>	<b>Total Funds 2020 (£)</b>
<b>Income</b>	<b>2</b>		
<i>Income from charitable activities:</i> Performance-related income/Donations		-	2,042
<i>Income from other trading activities:</i> Merchandise income		76	10
<b>Total income</b>		<b>76</b>	<b>2,052</b>
<b>Expenditure</b>	<b>3</b>		
<i>Costs of raising funds</i> Merchandise expenditure		-	-
<i>Expenditure on charitable activities:</i> Performance-related expenditure		(420)	(2,188)
<b>Total expenditure</b>		<b>(420)</b>	<b>(2,188)</b>
<b>Net income/(expenditure) and net movement in funds for the year</b>		<b>(344)</b>	<b>(136)</b>
<b>Reconciliation of funds</b>			
Total funds brought forward		2,693	2,829
<b>Total funds carried forward</b>		<b>2,349</b>	<b>2,693</b>


The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

# BASEMENT ORCHESTRA

## Balance Sheet as at 31 August 2021

	Note	CIO 2021 (£)	CIO 2020 (£)
<b>Fixed assets</b>			
Tangible assets - technical equipment	4	22	72
<b>Total Fixed Assets</b>		<b>22</b>	<b>72</b>
<b>Current Assets</b>			
Stock - Merchandise	5	288	288
Debtors	6	2,350	1,497
Cash at bank and in hand		1,164	1,040
<b>Total Current Assets</b>		<b>3,802</b>	<b>2,825</b>
<b>Liabilities</b>			
Creditors falling due within one year	7	(1,475)	(205)
<b>Net Current Assets</b>		<b>(1,475)</b>	<b>2,620</b>
<b>Net Assets</b>		<b>2,349</b>	<b>2,693</b>
<b>The funds of the CIO:</b>			
Unrestricted income funds		2,349	2,693
<b>Total funds</b>		<b>2,349</b>	<b>2,829</b>

The notes on pages 10 to 12 form part of these accounts.



POLLY GANNAWAY Chair of trustees on behalf of the trustees

Approved by the trustees on 29 June 2022.



## Statement of Cash Flows as at 31 August 2021

	Note	CIO 2021 (£)	CIO 2020 (£)
<b>Cash used in operating activities</b>	<b>A</b>	<b>124</b>	<b>440</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		-	-
<b>Cash provided by (used in) investing activities</b>		<b>-</b>	<b>-</b>
Increase (decrease) in cash and cash equivalents in the year		<b>124</b>	<b>440</b>
Cash and cash equivalents at the beginning of the year		1,040	600
<b>Total cash and cash equivalents at the end of the year</b>		<b>1164</b>	<b>1,040</b>

### A Reconciliation of net movement in funds to net cash flow used in operating activities

	CIO 2021 (£)	CIO 2020 (£)
Net movements in funds	(344)	(136)
Depreciation charge	50	50
Decrease/(increase) in stock	-	-
Decrease/(increase) in debtors	(852)	-
Increase/(decrease) in creditors	1270	-
<b>Net cash from (used in) operating activities</b>	<b>124</b>	<b>440</b>



## **Notes on the accounts**

### **For period ending 31 August 2021**

#### **1. Accounting Policies**

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows:

##### **a) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basement Orchestra meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

##### **b) Preparation of the accounts on a going concern basis**

The financial statements have been prepared on the basis that the CIO is and will remain a going concern for the foreseeable future.

##### **c) Income**

Income is recognised when the CIO has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income consists primarily of concert ticket sales and player subscriptions. Revenue from ticket sales and player subscriptions is recognised at the time of the related performance.

Income received in advance of a performance or provision of other specified service is deferred until the criteria for income recognition are met.

No amounts are included in the financial statements for services donated by volunteers.

##### **d) Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the CIO. The CIO does not currently have any designated or restricted funds.

##### **e) Expenditure**

Expenditure is accounted for on an accruals basis and recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under headings that aggregate all costs related to the category.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

## Notes on the accounts

### For period ending 31 August 2021 (contd.)

#### f) Tangible fixed assets

Individual fixed assets costing £50 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Asset Category	Annual Rate
Technical Equipment	20%
Small Instruments	10%

#### g) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### h) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

## 2. Income

	2021 (£)	2020 (£)
<b>Income from charitable activities</b>		
Performance fees	-	-
Ticket sales	-	-
Player subscriptions (including Gift Aid)	-	916
Donations (including Gift Aid)	-	1,126
	<hr/>	<hr/>
	-	<b>2,042</b>
	<hr/>	<hr/>
<b>Income from other trading activities</b>		
Merchandise income	76	10
	<hr/>	<hr/>
	<b>76</b>	<b>10</b>
	<hr/>	<hr/>
<b>Total Income</b>	<hr/> <b>76</b> <hr/>	<hr/> <b>2,052</b> <hr/>

## Notes on the accounts

For period ending 31 August 2021 (contd.)

### 3. Expenditure

	2021 (£)	2020 (£)
<b>Costs of raising funds</b>		
Merchandise Expenditure	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
<b>Expenditure on charitable activities</b>		
Performance costs	-	1,500
Fees	-	270
Administrative expenditure	420	418
	<hr/>	<hr/>
	<b>420</b>	<b>2,188</b>
	<hr/>	<hr/>
<b>Total Expenditure</b>	<b>420</b>	<b>2,188</b>
	<hr/>	<hr/>

### 4. Tangible Fixed Assets - technical equipment

	2021 (£)	2020 (£)
<b>Cost</b>		
As at 1 September 2020	441	441
Additions	-	-
	<hr/>	<hr/>
As at 31 August 2021	441	441
	<hr/>	<hr/>
<b>Depreciation</b>		
As at 1 September 2020	369	318
Charge for the year	50	50
	<hr/>	<hr/>
As at 31 August 2021	419	369
	<hr/>	<hr/>
<b>Net book value</b>		
As at 1 September 2020	72	123
	<hr/>	<hr/>
As at 31 August 2021	<b>22</b>	<b>72</b>
	<hr/>	<hr/>



## Notes on the accounts

For period ending 31 August 2021 (contd.)

### 5. Stock

	2021 (£)	2020 (£)
Stocks of merchandise - T-shirts, tote bags etc	288	288
	<b>288</b>	<b>288</b>

### 6. Debtors

	2021 (£)	2020 (£)
Trade debtors	-	455
Prepayments/Accrued income	2,350	1,042
Sundry debtors	-	-
	<b>2,350</b>	<b>1,497</b>

### 7. Creditors: Amounts falling due within one year

	2021 (£)	2020 (£)
Trade creditors	55	55
Accruals/Deferred income	1,420	150
	<b>1,475</b>	<b>205</b>

### 8. Corporation Taxation

The CIO is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.