

THE HAMPSTEAD CHURCH MUSIC TRUST

2021 ANNUAL REPORT

The trustees of The Hampstead Church Music Trust ("HCMT") present their report and the accounts in respect of the financial year ended 31 December 2021.

Status

HCMT is an unincorporated association, constituted by a Trust Deed dated 20 April 1975 and registered as a charity by the Charity Commission for England and Wales with registration number 269427. The Trust Deed was amended during 2016 by a trustees' resolution dated 20 April 2016 in order to change and update the provisions relating to the appointment and terms of office of trustees (see further below). Its correspondence address is c/o Hampstead Parish Church, Church Row, London NW3 6UU and its website address is www.hcmt.org.uk.

Trustees

Under the amended provisions of the Trust Deed referred to above the trustees are:

- (a) the Vicar of St John-at-Hampstead (Hampstead Parish Church) - unless he declines to act or is disqualified from acting as a trustee;
- (b) up to two (or, if the Vicar of St John-at-Hampstead declines to act or is disqualified from acting as a trustee or if there is no Vicar for the time being, up to three) persons appointed by the Parochial Church Council of St John-at-Hampstead ("PCC");
- (c) up to three persons appointed by The Friends of the Music of Hampstead Parish Church ("FOM"); and
- (d) up to four persons appointed by the trustees themselves.

With the exception of the Vicar trustees are normally appointed for fixed terms of three years. They are eligible to be re-appointed for further terms of three years except that, save in circumstances certified to be exceptional by each of the other trustees and with their unanimous consent, a trustee who has served for a consecutive period of nine years falling wholly after 20 April 2016 may not be appointed or re-appointed as a trustee. There are also provisions to ensure that a majority of the trustees are not members of the PCC.

The trustees as at 31 December 2021 and their terms of office at that date were:

The Vicar of St John-at-Hampstead

The Reverend Jeremy Fletcher

PCC appointees

Frances Spalding (until 16 July 2023)
Inigo Woolf (until 15 July 2024)

FOM appointees

Handley Stevens (until 31 December 2024)
Robin Tyson (until 26 November 2022)
Maurits Dolmans (until 17 May 2024)

Trustee appointees

Bryan Sanderson (until 31 May 2022)
Gill Perrin (until 31 December 2023)

Object

The object of HCMT, as set out in the Trust Deed by which it is constituted, is to maintain and promote the performance and appreciation of church music in Hampstead and in particular Hampstead Parish Church. Church music is defined for this purpose as including music written for performance as part of or during any church service and any other music which (having regard to its character) is suitable for performance in a church or by a church choir. The trustees give effect to this object by the making of grants, including in particular grants towards the cost of the music at services at Hampstead Parish Church. These grants help to ensure the continuity of the Parish's long-standing musical tradition (including the musical education and development of its junior choir) which makes a major contribution to the life and ministry of the parish.

Restricted funds

In addition to its unrestricted (or general) fund HCMT had two restricted funds during the year, namely:

- (a) the **Martindale Sidwell Memorial Fund** the object of which being to establish a recital fund for young musicians, particularly those associated with Hampstead Parish Church;
- (b) the **Barney Rodgers Memorial Fund**, being for the benefit of the junior choir at Hampstead Parish Church but which, in the event that the junior choir is disbanded, may be used to support the music at Hampstead Parish Church.

Activities

The principal activity of HCMT during 2021 was the making of grants in pursuance of its objects. The total amount of grants awarded during the year was £98,317 (2020: £83,413.13) and included amongst them were the following:

- £50,070 towards the general service music costs at Hampstead Parish Church and £2,400 for a new Mass setting;
- £10,000 towards the general service music costs at the church of St Mary The Virgin, Primrose Hill;
- £27,000 towards the cost of a series of concerts, recitals and meditations given by the Hampstead Collective in Hampstead Parish Church in the course of 2021. ;

- £1,537 from the Barney Rodgers Memorial Fund towards the costs of individual singing tuition for the members of Hampstead Parish Church's junior choir;
- £1,500 towards the costs of the Hampstead Community Choir;
- £1,200 towards the costs of a concert given by the Hampstead Chamber Choir;
- £2,860 towards the cost of sheet music and the mentoring of an assistant organist at the church of All Hallows, Gospel Oak;
- £1,000 towards the cost of restoring a chamber organ at St Peter's Belsize Park
- £750 towards the cost of a Baroque orchestra to accompany Bach oratorio performances at St Peter's Belsize Park.

Public benefit

The grants summarised above gave effect to HCMT's public benefit role which is the promotion of both the arts and education through church music, and in carrying out the work of HCMT the trustees have had regard to the Charity Commission's guidance on public benefit.

Once again the largest grant during the year was made towards the general music costs at Hampstead Parish Church where services are open to all and where music plays an important role in many of them. The music, which is provided by professional musicians, is of a very high standard and not only is it an integral part of the regular worship of the parish but its quality and variety draws a wide range of people to the services. The junior choir, open to boys and girls aged 8-18, also plays a valuable role in the life of the parish whilst at the same time providing its members with a knowledge of and grounding in church music that it is hoped will remain with them in later life. The grant towards the costs of the Community Choir opens opportunities for singers of limited experience to discover the joy of music-making. As a result of the ongoing Coronavirus pandemic there were few opportunities to sing as a group in the first half of 2021, but the Parish Choir continued to provide hymns and anthems remotely for Sunday worship, and the continued provision of individual music lessons meant that no members left the Junior Choir. Both the Parish Choir and the Community Choir were able to resume singing together in the church from September. The imaginative and varied programme of concerts and recitals devised and presented by the Hampstead Collective was also able to resume on a monthly basis from September, culminating in a fine performance of Handel's Messiah in December. The continued provision of music at Hampstead Parish Church throughout the pandemic, whether in person or remotely, was much appreciated throughout the community.

Finances

(A) Investments

The investments of HCMT are held in a number of pooled investment funds, using a mix of funds to provide income and capital growth, with three investment managers as a means of diversifying risk. Performance over the past three years has been as follows.

| | 2018 | 2019 | 2020 |
|---------------------------|-------|------|-------|
| | % | % | % |
| Increase in capital value | 17.71 | 4.18 | 15.36 |
| Investment income | 3.54 | 2.57 | 2.79 |
| Total return | 21.25 | 6.75 | 18.15 |

The Trustees aim over a three year period to achieve a total return of at least 7% per year. Investment income is calculated by dividing the investment return by the market value of investments at the start of the relevant year.

(B) Income and expenditure

The total incoming resources for the year amounted to £90,477 (2019: £103,221), whilst total resources expended amounted to £106,837 (2019: £83,923). As a result, there was an overall net operating deficit for the year of £16,360 (2019 a surplus of £19,298). Before the onset of Covid-19 the expectation was that investment income would be higher than in 2019 but many companies decided to husband cash during lock down and the distributions from two of the three investment managers were reduced. The Trustees decided not to cut back the grant making programme in light of the healthy surplus brought forward from 2019.

(C) Reserves policy

The trustees' reserves policy is in two parts. The first is that the unrestricted fund has been divided into an **Unrestricted Investment Fund** and an **Unrestricted General Fund**. The Unrestricted Investment Fund is a long term investment fund and comprises HCMT's unrestricted investments the income from which funds HCMT's principal on-going grant-making activities. Meanwhile, the Unrestricted General Fund is HCMT's general operating fund to which all its unrestricted incoming resources (including the income from the investments in the Unrestricted Investment Fund but excluding any legacies that the trustees decide should be added to the Unrestricted Investment Fund) is credited and from which all grants (other than grants from the restricted funds) and other outgoings are paid.

Under the second part of the policy the trustees have decided that, in order to ensure that HCMT has sufficient funds to meet grant requests as and when needed without being dependent on the timing of distribution receipts from the investments in the Unrestricted Investment Fund, it should as a general rule of thumb hold some £50,000 of immediately available cash in the Unrestricted General Fund, this sum being equivalent to six months' anticipated expenditure. Unrestricted cash balances at the year-end were £77,143. This puts the Trustees in a strong position to maintain and develop their grant-making activities in 2021 as there may be second year of reductions in investment income.

(D) Net assets

At the end of 2020 HCMT's net assets amounted to £3,642,297 (31 December 2019: £3,515,766). Of this amount £3,595,070 (31 December 2019: £3,463,426) was attributable to the Unrestricted Investment Fund and the Unrestricted General Fund and £47,227 (31 December 2019: £52,340) was spread between the restricted funds.

Priorities for 2022

In addition to HCMT's normal grant-making activities, the trustees' priorities for 2021 include:

- developing the work with teenage boys to encourage them to continue singing safely through and beyond the time when the male voice changes; and
- further broadening the scope of the work of HCMT in Hampstead.

This report was approved by the trustees on [date to be inserted]

Trustee

Trustee

THE HAMPSTEAD CHURCH MUSIC TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE 12 MONTHS ENDED 31 DECEMBER 2021

| | Notes | <i>Unrestricted General Fund</i> £ | <i>Unrestricted Investment Fund</i> £ | <i>Restricteed Funds</i> £ | <i>Total 2021</i> £ | <i>Total 2020</i> £ |
|---------------------------------------------|-------|-------------------------------------------|----------------------------------------------|-----------------------------------|----------------------------|----------------------------|
| Incoming resources | | | | | | |
| Donations | | 70.00 | - | 1,000.00 | 1,070.00 | 70.00 |
| Tax recovered | | 17.50 | - | - | 17.50 | 17.50 |
| Investment income | | <u>97,077.72</u> | <u>-</u> | <u>2,139.53</u> | <u>99,217.25</u> | <u>90,389.25</u> |
| Total incoming resources | | 97,165.22 | - | 3,139.53 | 100,304.75 | 90,476.75 |
| Resources expended | | | | | | |
| Administration | | - | - | - | - | - |
| Grants | 4 | <u>96,780.00</u> | <u>-</u> | <u>1,537.00</u> | <u>98,317.00</u> | <u>106,837.05</u> |
| Total resources expended | | 96,780.00 | - | 1,537.00 | 98,317.00 | 106,837.05 |
| Net incoming resources for year | | 385.22 | - | 1,602.53 | 1,987.75 | (16,360.30) |
| Change in value of investments | 5 | <u>-</u> | <u>541,003.00</u> | <u>5,841.00</u> | <u>546,844.00</u> | <u>142,890.71</u> |
| Net movement in funds | | 385.22 | 541,003.00 | 7,443.53 | 548,831.75 | 126,530.41 |
| Balances at start of year | | 77,142.53 | 3,517,927.00 | 47,227.24 | 3,642,296.77 | 3,515,766.36 |
| Balances carried forward at year end | | 77,527.75 | 4,058,930.00 | 54,670.77 | 4,191,128.52 | 3,642,296.77 |

THE HAMPSTEAD CHURCH MUSIC TRUST

BALANCE SHEET AS AT 31 DECEMBER 2021

| | Notes | <i>Unrestricted General Fund</i> £ | <i>Unrestricted Investment Fund</i> £ | <i>Restricteed Funds</i> £ | <i>Total 2021</i> £ | <i>Total 2020</i> £ |
|-----------------------------|-------|-------------------------------------------|----------------------------------------------|-----------------------------------|----------------------------|----------------------------|
| Investments at market value | 5,6 | | 4,058,930.00 | 47,764.00 | 4,106,694.00 | 3,559,850.00 |
| Cash at bank and on deposit | | <u>88,527.75</u> | <u>-</u> | <u>6,906.77</u> | <u>95,434.52</u> | <u>82,446.77</u> |
| Total assets | | 88,527.75 | 4,058,930.00 | 54,670.77 | 4,202,128.52 | 3,642,296.77 |
| less liabilities | 7 | <u>11,000.00</u> | <u>-</u> | <u>-</u> | <u>11,000.00</u> | <u>-</u> |
| NET ASSETS | | 77,527.75 | 4,058,930.00 | 54,670.77 | 4,191,128.52 | 3,642,296.77 |

SIGNED

Bryan Sanderson Trustee

Inigo Woolf Trustee

insert date

THE HAMPSTEAD CHURCH MUSIC TRUST

Notes to the financial statements

Note 1 - Accounting basis

These financial statements are prepared on a receipts and payments basis with the exception the inclusion of grants approved but not paid before the year end (Note 7) and the revaluation of investments to market value at the year end (Note 5).

Note 2 - Unrestricted Fund

The Unrestricted Fund is divided into the Unrestricted General Fund and the Unrestricted Investment Fund. The latter is a long term investment fund and comprises the unrestricted investments of the Trust the income from which funds the Trust's principal grant-making activities. All the unrestricted income of the Trust, including the income from the investments in the Unrestricted Investment Fund, is credited to the Unrestricted General Fund, out of which the grants (other than grants from the Restricted Funds) and other outgoings are paid.

Note 3 - Restricted Funds

The Restricted Funds comprise:

(a) the **Martindale Sidwell Memorial Fund** whose object is to establish a recital fund for young musicians, particularly those associated with Hampstead Parish Church; and

(b) the **Barney Rodgers Memorial Fund** which is for the benefit of the junior choir at Hampstead Parish Church but which, in the event that the junior choir is disbanded, may be used to support the music at Hampstead Parish Church.

| | <i>Martindale Sidwell Memorial Fund</i> | <i>Barney Rodgers Memorial Fund</i> | <i>Total</i> |
|-----------------------------------------|----------------------------------------------------|------------------------------------------------|-------------------------|
| | <i>£</i> | <i>£</i> | <i>£</i> |
| Balance 1 January 2021 | 18,835.37 | 28,391.87 | 47,227.24 |
| Incoming resources | 849.39 | 2,290.14 | 3,139.53 |
| Outgoing resources | - | (1,537.00) | (1,537.00) |
| Change in value of investments (Note 7) | <u>2,108.00</u> | <u>3,733.00</u> | <u>5,841.00</u> |
| Balance 31 December 2021 | <u>21,792.76</u> | <u>32,878.01</u> | <u>54,670.77</u> |
| Represented by: | | | |
| Investments at market value (Note 7) | 17,862.00 | 29,902.00 | 47,764.00 |
| Cash at bank and on deposit | <u>3,930.76</u> | <u>2,976.01</u> | <u>6,906.77</u> |
| | <u>21,792.76</u> | <u>32,878.01</u> | <u>54,670.77</u> |

Note 4 - Grants

| | <i>Unrestricted General Fund</i> | <i>Restricteed Funds</i> | <i>Total 2021</i> | <i>Total 2020</i> |
|----------------------------------|---------------------------------------------|-------------------------------------|------------------------------|------------------------------|
| Hampstead Parish Church | 52,470 | | 52,470 | 56,511 |
| Hampstead Collective | 27,000 | | 27,000 | 35,000 |
| Hampstead Community Choir | 1,500 | | 1,500 | 1,500 |
| Hampstead Chamber Choir | 1,200 | | 1,200 | 1,000 |
| St Mary the Virgin Church | 10,000 | | 10,000 | 10,000 |
| St Thomas More Church | - | | - | 300 |
| All Hallows w St Stephens Church | 2,860 | | 2,860 | - |
| St Peters Baroque Opera | 750 | | 750 | - |
| St Peters Church | 1,000 | | 1,000 | - |
| Unrestricted General Fund | <u>96,780</u> | | <u>96,780</u> | <u>104,311</u> |
| Barney Rodgers Memorial Fund | - | 1,537 | 1,537 | 2,526 |
| | <u>96,780</u> | <u>1,537</u> | <u>98,317</u> | <u>106,837</u> |

THE HAMPSTEAD CHURCH MUSIC TRUST

Notes to the financial statements

Note 5 - Change in value of investments

| | <i>Balance 1 January 2021</i> | <i>Invested/ sold</i> | <i>Gains/ losses</i> | <i>Balance 31 December 2021</i> |
|----------------------------------------------------|-----------------------------------|---------------------------|--------------------------|-------------------------------------|
| | £ | £ | £ | £ |
| Unrestricted | | | | |
| M & G Charifund | 151,930.00 | 0.00 | 20,326.00 | 172,256.00 |
| Central Board of Finance of the Church of England: | | | | |
| Global Equity Income Fund | 735,203.00 | 0.00 | 118,979.00 | 854,182.00 |
| Investment Fund | 1,090,162.00 | 0.00 | 155,953.00 | 1,246,115.00 |
| Newton Growth & Income Fund for Charities | 1,540,632.00 | 0.00 | 245,745.00 | 1,786,377.00 |
| Total Unrestricted | 3,517,927.00 | - | 541,003.00 | 4,058,930.00 |
| Restricted | | | | |
| The Martindale Sidwell Memorial Fund | | | | |
| M & G Charifund | 15,754.00 | 0.00 | 2,108.00 | 17,862.00 |
| The Barney Rodgers Memorial Fund | | | | |
| CBF Property Fund | 26,169.00 | - | 3,733.00 | 29,902.00 |
| Total Restricted | 41,923.00 | - | 5,841.00 | 47,764.00 |

Note 6 - Investments at cost

| | <i>No. of units 1 January 2021</i> | <i>invested (sold)</i> | <i>No. of units 31 December 2021</i> | <i>Cost £</i> |
|----------------------------------------------------|----------------------------------------|------------------------|------------------------------------------|---------------------|
| Unrestricted | | | | |
| M & G Charifund income units | 11,069.00 | - | 11,069.00 | 161,183.32 |
| Central Board of Finance of the Church of England: | | | | |
| Global Equity Income Fund shares | 278,834.64 | - | 278,834.64 | 440,000.00 |
| Investment Fund shares | 53,211.61 | - | 53,211.61 | 724,949.90 |
| Newton Growth & Income Fund for Charities | 1,060,164.80 | - | 1,060,164.80 | 1,197,810.84 |
| | | | | 2,523,944.06 |
| Restricted | | | | |
| The Martindale Sidwell Memorial Fund | | | | |
| M & G Charifund income units | 1,147.81 | - | 1,147.81 | 11,890.48 |
| The Barney Rodgers Memorial Fund | | | | |
| Central Board of Finance of the Church of England: | | | | |
| Property Fund income shares | 20,221.63 | - | 20,221.63 | 25,000.00 |
| | | | | 36,890.48 |

Note 7 - Liabilities

The liabilities comprise grants approved but not paid before the year end

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE HAMPSTEAD CHURCH MUSIC TRUST (Charity no. 269427)

on the accounts for the year ended 31 December 2021 set out on pages 1 to 3 above

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Act) and that an independent examination is needed.

It is my responsibility:

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

Basis of Independent Examiner's Statement

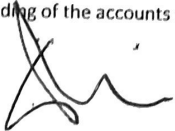
My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the 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 statement below.

Independent Examiner's Statement

In connection with my examination, no material matters have come to my attention which give me cause to believe that, in any material respect:

- (i) accounting records were not kept in accordance with section 130 of the Act or
- (ii) the accounts do not accord with the accounting records.

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



Signed:

Dee Thomas

Date: 19 January 2021

Address:

36 Causton Street
London SW1P 4AU