

The Charities Commission recommends that every charity should define how it will measure that there are sufficient financial resources available to ensure the continued operation of the charity should anything happen that may have a significant impact on the charity's budgeted finance cash flow.

The aim of Sheffield Philharmonic Chorus (SPC or the Chorus), as captured in the Constitution, is *'to advance the education of the general public in choral music by the regular performance of such music from the widest possible repertoire and such means as the Committee think fit'*.

This is achieved largely through organising and taking part in classical choral concerts, chiefly those organised jointly with the Halle Concert Society and Sheffield International Venues as part of the Sheffield International Concert Season (SICS) held at Sheffield City Hall. SICS choral concerts are funded mainly by concert ticket sales but are subsidised by the three partners in accordance with an agreed formula via which the three parties share the financial risks. Few SICS choral concerts break even, and SPC uses member subscriptions to pay for its share of the subsidy.

In addition to the SICS concerts SPC:

- organises self-funded concerts in Sheffield.
- accepts invitations by other choirs or UK- or EU-based orchestras or promoter.
- Sings outside the UK, eg via established links with choirs in Perigueux, France & Bochum, Germany.
- takes part in recordings, either by invitation or to make a Chorus CD.

The most significant expenditure is associated with running self-funded concerts, which SPC increasingly needs to do because fewer choral concerts are being programmed within the Sheffield International Concert Season. SPC activities are generally planned and implemented on the basis of funds already in place, the charity preferring to undertake what it has the money to do and no more. However, SPC has built up healthy reserves over a number of years and is able to subsidise concerts which further the charitable objects listed above, and which would otherwise be impossible to organise.

How the level of reserves is determined

The Finance Officer and Chorus Administrator, on behalf of the SPC Trustees, used the Charities Commission template to consider potential reasons why the Chorus may need a reserve, together with an estimate of the level of reserve that might potentially be required, based on previous expenditure, predicted versus actual budgets and information from other charities. The reasoning and outcomes from this exercise are reviewed annually and captured in this Reserves Policy, which is then agreed by the Trustees.

Reserves Sheffield Philharmonic Chorus may need, and why they may be needed

1. To enable SPC to manage an unexpected need for funds, eg to enable a project to be moved forward quickly, or to secure a pre-event commitment. For example, many concert venues are booked many months in advance of events, and a non-refundable deposit may be required to secure an event venue booking long before the associated grant funding has been secured.
2. To cover unforeseen day-to-day operational costs, for example, contracting temporary professionals if the usual professionals become unavailable or paying for other singers to assist in concerts.
3. To make up for a shortfall in income for concerts, particularly self-funded ones. For example, the costs of hiring the City Hall and orchestra / soloist fees may not be covered in full by ticket sales in cases where a new or more experimental work is being performed.
4. To cover losses from unexpected cancellations not covered by insurance, for instance in the case of a pandemic or government instruction.
5. To provide funds needed to settle unexpected legal fees or enable an orderly closure following a decision to wind up SPC, eg, to pay for an accountant to prepare the final accounts and distribute any remaining funds. In the event of closure, SPC will strive to cover concerts in the current season and commitments in the following season.

The 2019 Annual Report revealed £46,000 in SPC's savings account. SPC aims to maintain from this a reserve of £20,000 in order to ensure the above emergencies can always be covered.

How Trustees will maintain the reserves at the agreed level

Trustees aim to use funds to further the charitable objects, eg, by sponsoring young Sheffield composers, or by subsidising concerts involving new or less well-known or more challenging works, and to maintain the agreed reserve by prudent financial management including seeking low-cost options wherever appropriate, by regularly reviewing the charity's financial position, and planning and delivering events within the budget restrictions agreed in advance.

Annual Report

A summary of this reserves policy will be included in each Annual Report.