



Spitalfields Festival Limited

Trading as **Spitalfields Music**

Trustees Report & Financial Statements

For the period **1 September 2020- 31 March 2021**

Charity No. 1052043
Company No. 3138347



Spitalfields Music Trustees Report for the period 1 September 2020- 31 March 2021

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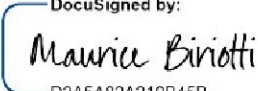
Introduction

Despite the unprecedented challenges presented by the pandemic, Spitalfields Music has continued to thrive as one of the country's most ambitious music charities. This impact report, covering a short financial period due to a change of financial year, illustrates that in spite of the circumstances we have continued to deliver a number of exciting, impactful projects. This strongly demonstrates why Spitalfields Music has such an outstanding reputation for innovation, and experimentation through classical music.

I want to thank our team, artists, workshop leaders and partner organisations, and my fellow trustees for their work in expertly guiding the charity through this period and continuing to deliver outstanding results.

On behalf of the Board, I also want to thank our supporters, including our core funder, Arts Council England; and HM Government for their support via the Culture Recovery Fund, which has proved crucial over the period. Not forgetting our major donors: Help Musicians UK, City of London Corporation, Scops Arts Trust, Tower Hamlets Arts and Music Education Service, The Merchant Taylors Company, and other trusts, foundations, companies and individuals who enable us to bring music into so many people's lives and help us to ensure we can do so for many years to come.

Thank you, all. We simply couldn't do this without you, and we look forward to seeing you in person in July 2021 for the return of our Summer Festival.

DocuSigned by:

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Professor Maurice Biriotti
Chair, Spitalfields Music

Achievements & key stats

100+

Performances across
Festival and L&P

Making a public
commitment to Equality,
Diversity & Inclusion.
Diversifying artist teams
and overhauling
recruitment
processes

334

Participants of all
ages

30

New Compositions

International reach
across 7 countries
with attendees from
Scotland to
Australia!

Joining the
Show The
Salary
initiative

Becoming
an Artsmark
Partner

Developing a successful
live/ digital hybrid delivery
model across all our
activities,
including support for
musicians and
composers, creative work
in schools and our first
online festival

24

Community partners

Who we are

Spitalfields Music is a registered charity (no. 1052043) that exists to build communities across London's East End through music.

Our vision is for a thriving and harmonious East End with open hearts, minds and ears.

We are Ambitious – we challenge ourselves to create unforgettable music experiences that reimagine how people from all backgrounds can connect with classical music

We are Inclusive – we are richer as an organisation and as a community when everybody has an opportunity to share their creative voice and nobody faces barriers to our work

We are Curious – we consciously seek opportunities to view the world from different perspectives, bringing new insights and relevance to our work and to those who share it

We are Adaptable – we work flexibly and responsively enabling us to reflect and celebrate the diverse audiences, artists and participants we work with

We are Collaborative – we look for opportunities to work in partnership with others, sharing knowledge, and challenging and inspiring each other to find new and creative approaches

We were founded in 1976 for a fundraising concert to save Hawksmoor's masterpiece, Christ Church Spitalfields; ran our first summer music festival in 1977; and began our learning & participation programme in local schools in 1989, extending our impact into the wider community in 1992 with a music project for homeless men.

Equality, diversity and inclusion has always been at the heart of our work. Spitalfields as an area is a microcosm of the story of immigration to England over the past 400 years, hosting successive generations of French Huguenot, then Irish, weavers; Jewish refugees; and latterly Bangladeshi immigrants. More recently, we are experiencing gentrification in the west of our borough, which is changing the demographics of our local communities once again.

Our work in neighbourhood schools - where over 50% of pupils are eligible for free school meals and over 80% don't speak English as a first language - highlights the challenges experienced by those living in Tower Hamlets. An estimated 44% of households are in income poverty (living below 60% of UK median household income), the highest rate across all local authorities in England/Wales and double the National average. Tower Hamlets also has the highest rate of child poverty in the UK, where young people are disproportionately affected by the high unemployment rate and low levels of arts engagement. Total school spending per pupil in England has fallen by 8% in real terms between 2009–10 and 2019–20. This means having to prioritise core salaries and building repairs, rather than extra-curricular, language or pastoral support – hence our drive to support local children and young people to give them life chances that otherwise would be denied to them.

Our commitment to creative development of artists and music sector support more generally is also integral to our mission. Since 2000, we have run the Trainee Music Leader scheme, the acknowledged industry leading training programme for musicians wishing to lead workshops in schools and community settings. More recently, we have provided well-being sessions for freelance musicians and music leaders, and one-off CPD opportunities during Lockdowns Two and Three in 2020/21 to equip musicians and workshop leaders for returning to work in hybrid-presentation community settings.

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Finally, our artistic vision has always been bold, yet supportive – spotting gaps in the ecology of the music sector, such as the need for second performances of commissions – and has championed the work of emerging and established composers and performers from all musical traditions from our earliest days. We have won multiple awards from the Royal Philharmonic Society over the last two decades for our artistic, education and audience development impact.

Public benefit

The trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

For over 40 years Spitalfields Music has produced and presented high-quality public performances at affordable prices in venues across East London. Our programmes often blend early music with newly-commissioned pieces, offering inspiring and unique experiences to the public. Our recent online work has enabled us to engage with audiences beyond our local community, attracting viewers from all over the world.


Through our learning & participation programme we offer subsidised, interactive musical workshops to participants of all ages from our local community, from young children to elderly care home residents living with dementia.

Activities & Impact

Over the last year, it has become abundantly clear that the communities with which we work in and around Tower Hamlets have been disproportionately affected by the pandemic. Our local communities are dealing with profound loss of life, as well as other factors that have impacted their mental health, including working in environments that have put them at greater risk of contracting COVID-19, concerns about the health and wellbeing of family members, and loss of income.

The arts have proved a great comfort for so many over this time, and we have no doubt that the work of artists and creative practitioners will be needed more than ever as we emerge from lockdown restrictions. Undoubtedly, we will be faced with a wellbeing crisis across society as we all try to make sense of what we have lived through.

Despite the ongoing restrictions, we have worked hard to adapt our work to the 'new normal', continuing to deliver projects that benefit our artists, audiences and communities. Here is a snapshot of what we've been up to.



"I felt really uplifted after our conversation, particularly to hear about another organisation doing interesting and creative things despite all the restrictions..."

Spitalfields were able to do so much when so few organisations were able to do anything".

Musician and participant

Equality, Diversity & Inclusion

EDI has always been a strong part of the organisation's identity, but has come into sharper focus over the last 12 months. Since being selected for the *I'M IN (The Inclusive Music Index)* in July 2020, a groundbreaking diversity & inclusion project launched by Music Masters, all members of the Spitalfields Music team and board have sought to engage in meaningful conversations on EDI, and the subject is now a standing agenda point on all team and board meetings. We've worked hard over this time to diversify our artist teams, overhaul recruitment processes for our artist development programmes and have gained recognition by partners in the sector. Our CEO, Sarah Gee, made a public declaration of our commitment to EDI and we commissioned journalist and author Jessica Duchen to share her thoughts on gender parity in the music world.

Our first ever Online Music Festival

Never an organisation to shy away from experimentation, on 5th December 2020 we delivered our first ever online-only Festival. The packed day-long schedule featured several events brought forward from our cancelled 2020 Summer Festival, many of which were reimaged for a third time due to previous postponements following prolonged lockdown restrictions. For just £15 and from the comfort and safety of their homes, audiences enjoyed an eclectic programme featuring performances from a host of world-class musicians such as **Nicholas Mulroy** and **The Dunedin Consort**, **Katie Melua**, **Errollyn Wallen**, **The Miller-Porfiris Duo** filmed from Connecticut, USA, and **Chineke! Juniors** accompanying **SI Martin's** Black Music & History Walks around East London. Ticket bookers were able to watch the Festival on demand until 19th December.

Despite inevitable small technical glitches, the Festival was extremely well-received by audience members and press alike and we were delighted to extend our reach beyond our usual London-based audiences, with viewers tuning in from all over the UK and further afield. Arts Desk featured a glowing 5-star review of *Fast Food, Fast Music*, the Festival's opening performance which featured eight new commissions, all by female composers. The Festival was also reviewed by Rhian Evans for The Guardian in which Nicholas Mulroy's performance of music by Francesca Caccini and Barbara Strozzi was selected as a highlight.

We are particularly grateful to Arts Council England, our principal funder, and HM Government for supporting this event via the Culture Recovery Fund, as well as a number of other supporters including The RVW Trust, City of London Corporation and ticket bookers from our cancelled 2020 Summer Festival, who generously donated the value of their original bookings to this event.

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"It genuinely was a thoroughly enjoyable way to spend time in lockdown and gave me an escape and something joyful to watch and think about."

Audience Member, Festival

"Thank you so much for producing such great content with outstanding production values. Innovative. Varied. Wonderful!"

Audience Member, Festival




Photos by Ambra Vernuccio at Christ Church Spitalfields

Staying connected with our community

Over the last few years, a large portion of our community work has taken place in East London care homes, through our *Creative Encounters* programme. Understandably, this work was enormously impacted by the pandemic due to the devastating effects of COVID-19 in care settings. Restrictions on in-person delivery in care homes were in place from March 2020, and whilst our artist teams worked to provide digital care packages, it was not possible to connect with residents and staff in the same, meaningful way from the start of the pandemic.

Due to be going into its third and final year, after many months of careful consideration by all involved, with a heavy heart we took the decision to end the *Creative Encounters* programme a year early. We commissioned writer Sonia Lambert to reflect on the impact of the programme over its two year run in this [blog post](#). The artist team also came together for a final online session of reflection, celebration and music-making in March 2021.



*"I'm so proud of the journey with you all
and lucky to have had the
experience.*

*I will miss it honestly the ups the downs
but fun and so many special moments
along the way."*

Care home worker on Creative
Encounters

Building new community relationships

Thanks to the generosity and flexibility of a number of our funders, we were able to unrestrict much of our *Creative Encounters* funding in order to explore new avenues for connecting with older neighbours beyond the end of the programme.

A member of our team was tasked with scoping and researching potential new partnerships and to gain a greater understanding of the needs of local people. The goal was to assess how our future work with older people could seek to improve the wellbeing of our local community and to combat feelings of loneliness exacerbated by the pandemic. This period of research culminated in two online sessions with **East London Cares**, a local branch of a national charity with access to a network of older people in East London who meet through regular, organised social clubs.

The two sessions were devised and delivered by our versatile and talented artist team. Lauren Brant, a professional musician and recent Trainee Music Leader graduate, reflected on her experience [here](#). Feedback from participants was extremely positive and we hope to shape elements of these sessions into a year-long pilot programme later this year.

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*"the music transformed me – I
imagined I was in the countryside
standing on a hill, I felt so relaxed I
could have been anywhere"*

Gill, 70, East London Cares Participant

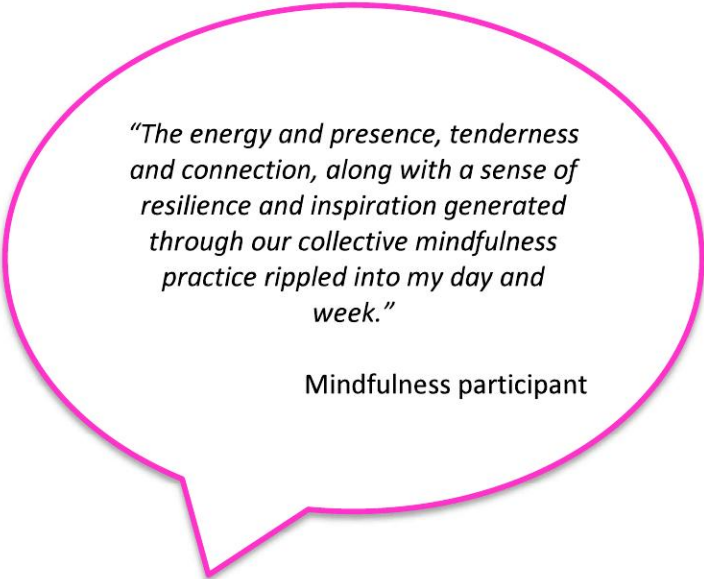


Image taken from Zoom session with East London Cares, March 2021

Supporting artists and practitioners

Spitalfields Music works with a number of artists, facilitators and creative practitioners, all of whom are integral to the delivery of our year-round Learning & Participation programme in the community. In November 2020, as a small gesture of our gratitude, we launched a brand-new programme of eleven online, interactive sector support sessions in conjunction with Mindful Music and Mindapples. This was designed to provide creative practitioners with an opportunity for tailored peer-to-peer support, reflection and mindfulness, and was also open to those beyond our existing networks. As an acknowledgement of the effect the pandemic has had on creative practitioners' income, all events were offered free of charge thanks to support from the Culture Recovery Fund.

You can read more about the content of the programme in this [blog post](#) by Charlotte Hunt, who coordinated the project for Spitalfields Music.



"The energy and presence, tenderness and connection, along with a sense of resilience and inspiration generated through our collective mindfulness practice rippled into my day and week."

Mindfulness participant

Despite pausing our Trainee Music Leadership programme for a year, we continued to run our highly-successful Skills Lab programme. In 2020-21, through a fundamental review of our recruitment materials and processes, we recruited a significantly more diverse pool of participants, 43% of which came from minoritised communities (vs. 15% in the previous year). We also expanded our programme from the usual three days to six. To date, all events have taken place online which has led to a far greater geographical spread of participants, as well as ensuring those with access needs and caring responsibilities can attend more easily. Participants Carli and Roderick reflected on their experiences [here](#).



The Island of the Self – wellbeing in schools

In keeping with the theme of wellbeing and mindfulness, with support from donors to the Big Give Christmas Challenge in December 2020, we launched our new Neighbourhood Schools programme *The Island of the Self*, devised and led by musician and former Spitalfields Trainee Music Leader, Raph Clarkson.

The project seeks to develop a suite of wellbeing and mindfulness resources for local primary schools through newly-composed songs devised by pupils. The project blends in-person and online workshops delivered by our highly-skilled team of workshop leaders. The programme will culminate in a full-length project performance video, a snippet of which will be presented at the Spitalfields Music Festival in July 2021. Guided meditations and other music-led mindfulness resources will also be made available to local schools via our website.

Organisational Development: Programme & Business Model

The organisation has undergone a huge period of transformation in the last two years, with a new all-female senior leadership team of three, all of whom joined from mid-2019 onwards. In January 2021, we also welcomed four new trustees after bidding a fond farewell to three long-standing board members: Michael Keating, Jasmine Mathews and Nicky Oppenheimer.

In February 2020, a new three-year business plan and accompanying long-term budget plan was launched, shortly before the pandemic took hold. In spite of the obvious challenges presented by the global situation, several of our strategic and programming goals have already been achieved and much has been carried forward and embedded into our plans for beyond the pandemic.

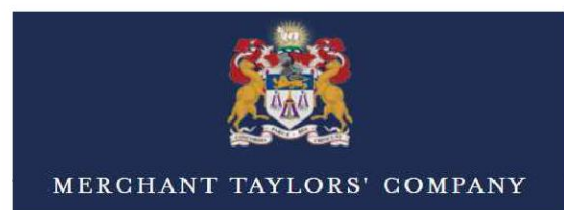
Despite being unable to present a live Festival in 2020 due to lockdown restrictions, the period has proved to be fruitful in terms of developing a hybrid live/digital delivery model across all of our programmes. Internally, the organisation has adapted well to all staff working from home since unexpectedly closing the office in March 2020. The change in our day-to-day working practice has gifted us with an opportunity to review our operations. This involved putting a number of support contracts up for tender, seeking a smaller office space and therefore delivering significant cost savings. This has proved crucial in helping us to achieve our goal of a break-even budget, keeping our reserves intact when we are faced with reduced opportunities for income generation.

Whatever the future may hold for the sector, we will maintain our reputation as an innovation unit in classical music, and continue to champion highest-quality musical experiences of all types and for all. We believe that music truly changes people's lives and will be needed more than ever at the end of the current global crisis.

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A huge THANK YOU to our supporters

Spitalfields Music is grateful for invaluable support from a wide range of organisations.



The Derek Shuttleworth Educational Trust

John R Murray Charitable Trust

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Legacies

We are eternally grateful to those who have left legacies beyond their lifetime:

George Law
Peter Lerwill
Christopher Vaughan
Patricia Aston
Ruby Lambert

Individual donors

Major donors to Festival performances and other community projects
Donors to the Big Give Christmas Challenge
Spitalfields Music Members, Patrons and Champions whose individual generosity contributes to the sustainability of our work

Donations in kind

We also receive support from companies and individuals who enable us to maintain our level of activity. To all of our supporters, we are very grateful for this vital help and involvement in our work.

Performance and rehearsal

Brady Arts & Community Centre
Cherry Trees School
Canon Barnett Primary School
Drake Music
London Symphony Orchestra
The Multi-Story Orchestra
Mindful Music
Mindapples
MishMash & Gildas Quartet
Osmani Primary School
Opera North
Orchestras Live
Rich Mix
Royal Academy of Music
Southbank Sinfonia
Spitalfields Market E1
St Matthias Primary School
Tower Hamlets Arts & Music Education Service
Welsh National Opera

Legal and professional services

mazars



Volunteers The charity often benefits from the help of volunteers during the Festivals and at other events throughout the year. Due to the reduction of in-person events, Spitalfields Music did not receive support from volunteers within the period but we look forward to welcoming volunteers soon.

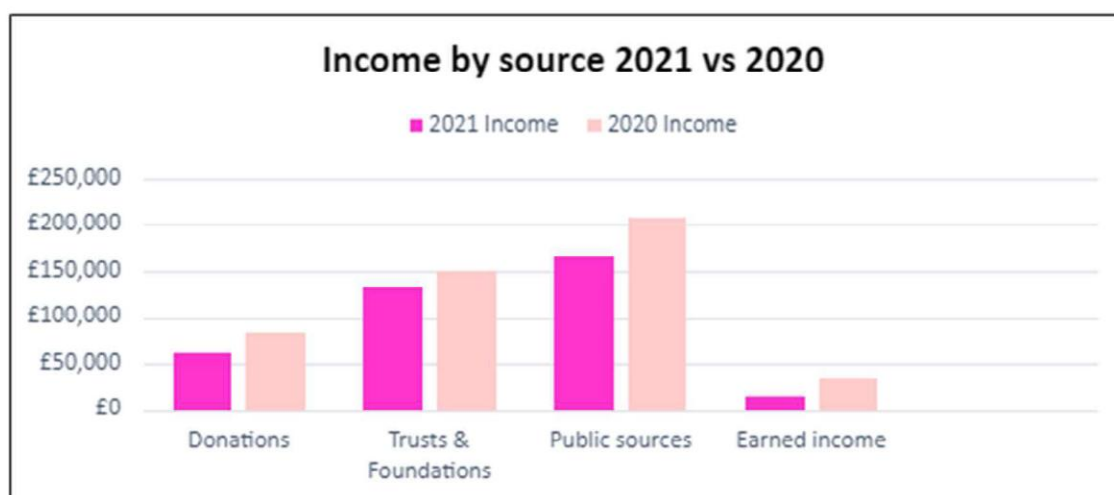
Financial Review

As of March 2021, Spitalfields Music has changed its financial year from 1st September- 31st August to 1st April- 31st March in order to match the financial period of many of its funders, therefore improving and simplifying internal reporting processes. To ensure compliance with Charity Commission regulations, it has been necessary to consolidate the accounts for the period 1st September 2020- 31st March 2021, in order to ensure the accounting period did not run beyond 18 months.

The financial result for the period is an **operating surplus of £74,053** (2020: *surplus £14,000*), improved by the performance by our investment portfolio which had a **surplus of £23,929** (2020: *£9,476*), giving a **final surplus of £97,982** in comparison with the prior year, which showed a surplus of £23,476.

Income

Income for the period was £372,583, a decrease of £106,216 (22%) from the prior year figure of £478,799. Though please note this is comparing a 7-month period to a full year in the prior period. The diversity of income sources varied from the prior year (prior year values shown in brackets) with 16% from donations (18%), 36% from trusts and foundations (31%), 44% from public sources, including Culture Recovery Fund, increased Arts Council England Emergency funding and Coronavirus Job Retention Scheme funding (44%) and the remaining 4% of income earned through activities (7%).

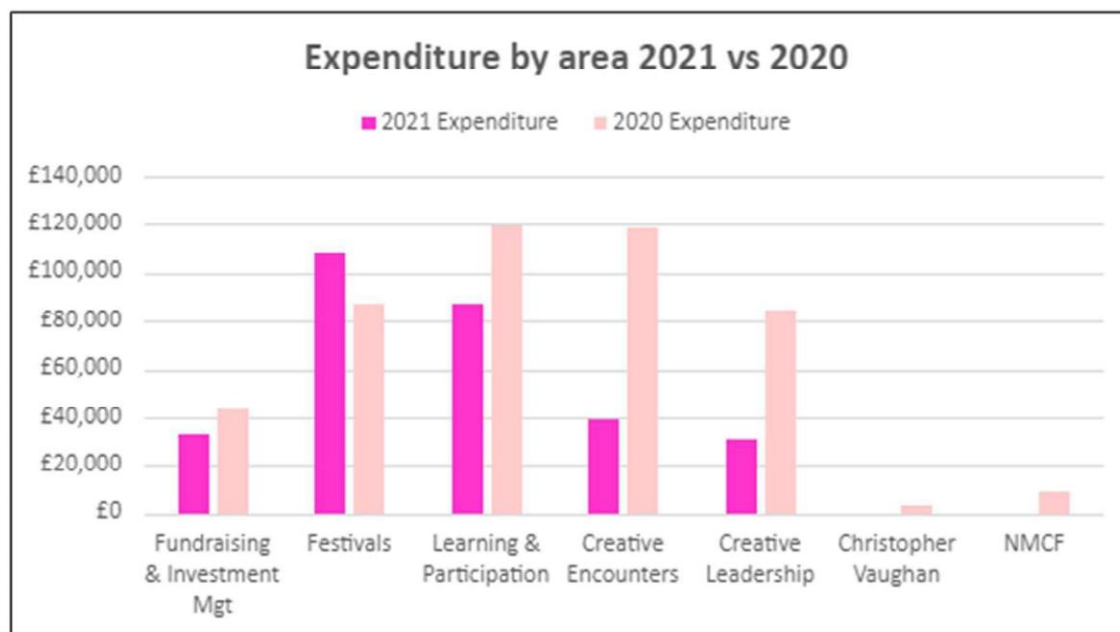


Expenditure

Expenditure fell by 36% to £298,530 (2020: £464,799). The majority of expenditure, 89% (2020: 91%), went directly on charitable activity including the delivery of our Learning & Participation and Festival programmes. The cost of generating funds decreased by 23% from £43,152 to £33,171, due to a reduction in the number of fundraising staff posts within the organisation, though please note

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the difference in length between the two periods. The proportion of expenditure on Festival and Learning and Participation was 36% and 52% respectively (prior year 21% and 70% respectively). Please note, Festival costs represent a higher proportion in this period due to the delivery of events, vs. no delivery in the prior period.



Reserves Policy

As at 31 March 2021, the charity's total reserves were £504,194 (2020: £406,212), consisting of Restricted Funds of £285,353 (2020: £238,229) which this year include £47,500 carried between financial years to account for funding that has been received in year ending 2021 with the majority of activity taking place in 2021-22, and Unrestricted and undesignated reserves of £218,841 (2020: £167,935). The trustees' policy for reserves is to protect the continuity of the organisation's work and to provide the capital needed for changes or expansion of the charity. When setting the level of unrestricted reserves, the trustees considered the plans for activity in the coming year and beyond, and the likelihood of the organisation being able to meet earned and raised income targets. Taking into account the level of activity and the risk to income over the coming year, trustees have set a target range of unrestricted reserves at £150,000-£200,000. This level would enable the organisation to meet committed levels of activity.

In recent years there have been challenges around our ability to achieve necessary levels of funding to deliver the organisation's work. In both 2019-20 and 2020-21 it has been possible to rebuild unrestricted reserves through a surplus, putting us in a strong position for the future. In 2020-21, it has not been necessary to draw down from restricted reserves to fund activity, largely thanks to the Culture Recovery Fund and Arts Council England funding. The organisation was also able to claim under the Coronavirus Job Retention (Furlough) Scheme to further support core costs.

Investment Policy

The charity has the power to invest monies not immediately required for the furtherance of its objects. Sufficient cash must be held for the charity to meet its regular operating commitments, and the trustees have set this level at no less than £100,000 as an instant access cash balance held in bank accounts. Other investments are restricted to instruments easily traded on recognised exchanges. Investments may be made direct, but currently are made through intermediaries, our

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fund manager. Any fund managers used will be registered with and authorised by a recognised Stock Exchange or equivalent financial authority such as the UK FCA.

The trustees have set a target investment return of LIBOR plus 3.5% over a period of three to five years. An annualised volatility level has been set at no more than 5% on a long-term basis compared with target performance on the overall portfolio to ensure the protection of the value of the charity's investment assets. In the year 2016-2017, the Trustees took the decision to remove all funds from one of our fund managers and invest everything in a single portfolio for the time being, due to the amount that we have available to invest. This portfolio was able to out-perform our target of LIBOR plus 3.5% over three, six- and twelve-month periods during the year. Taking into account gains on our investment portfolio there was a net increase in our investment portfolio value of £23,929 at the year end.

While the charity's investment policy has been agreed by the trustees, responsibility for ongoing investment issues has been delegated to the Finance & Legal sub-committee.

The Restricted Funds are included in the investment portfolio, further details of which can be found in the notes to the accounts.

Risk Management

The trustees acknowledge their responsibility to assess and manage the risks that the organisation faces and have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks. However, such systems can only provide reasonable and not absolute assurance against errors, fraud, operations failures and the impact of external events.

Throughout the year, particularly during the COVID-19 pandemic, the trustees have met regularly and reviewed the way risks are tracked and assessed. This has involved an exercise in which every member of the staff team has contributed towards identifying risks in their areas and to the organisation as a whole, as well as suggesting ways to mitigate these risks.

Ongoing risks to the organisation are related not only to ongoing global uncertainty but also to specific challenges within the industry relating both to the artists and communities we work with. The reduction in the number of live events it has been possible to hold during the pandemic has undoubtedly impacted income generation and has affected relationships with our ongoing individual supporters, many of whom engage with us through live public-facing concerts. The organisation has worked hard to mitigate this, particularly through increasing its digital offering during the period and engaging with new audiences.

The organisation generally suffers from staffing capacity issues, largely due to being a charity with big ambitions run by a small staff team. This has been less of an issue in 20-21 due to some programmes being postponed, and some roles being furloughed. The organisation also draws upon a wealth of talent and expertise from its pool of freelance workers, which helps to ensure roles are covered whilst also keeping core costs at a sustainable level to befit the level of funding we receive.

External influences will undoubtedly continue to increase risks to the organisation. Cuts in local authority budgets have been well documented and have a direct impact on the schools, community centres, libraries and care homes where we work. This is likely to accelerate due to the economic impact of the pandemic, despite increased pressure on organisations in the voluntary sector to address the enormous social and wellbeing fallout of the COVID-19 crisis. Whilst Spitalfields Music's

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work will be needed more than ever on the other side of this pandemic, competition for funding from trusts, foundations and individuals is likely to increase across the sector.

At present Spitalfields Music is working with very few international artists, due to travel restrictions arising from the pandemic. However, we are very likely to do so in the future and are therefore aware of the potential risk Brexit poses in this area of our work.

Fundraising

Spitalfields Music undertakes all fundraising itself and team members are trained in and monitored in making asks by the senior management team, in particular the Chief Executive who is an experienced fundraiser. We raise money from members of our audiences and from individuals who have shown an interest in our work by signing up for our mailings.

In the 2020-21 financial period, Spitalfields Music received no complaints about fundraising practices. Team members are trained in appropriate behaviour when making fundraising asks, and these are usually done in writing. We ensure that everyone can opt out of hearing from us in every mailing. We do not sell or exchange lists of data with other companies, and will only pass on information with the explicit consent of the data subject.

Spitalfields Music has not signed up with the Fundraising Regulator as currently our status means that we are below the recommended threshold in terms of fundraising spend.

*Spitalfields Music Trustees Report for the period 1 September 2020- 31 March 2021***Structure**

Spitalfields Festival Limited is a company limited by guarantee and was incorporated on 15 December 1995. It is registered with the Charity Commission for England and Wales and is governed by its memorandum and articles of association.

The affairs of the organisation are managed by the trustees who meet at least four times each year as the Spitalfields Music Board. The trustees are also the directors and the only members of the company. The Board is ultimately responsible for the strategic direction of the charity, supported by a sub-committee for Finance & Legal matters. The company information set out on page 23 of this report contains details of current membership of the Board. Outside the governance structure, a Programme Advisory Group meets up to four times a year to advise the senior leadership team on programming. The Programme Advisory Group contains both trustees and associate members, drawn from the local community, education and arts worlds.

Day to day management of the organisation is the responsibility of the senior leadership team, led by the Chief Executive. The Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and programming.

The Board has arrangements to support the appointment of trustees who have the skills, knowledge and networks to govern the organisation effectively. Under the company's articles of association:

- There shall be at least three trustees at all times
- The current trustees have the power to appoint, at any time, any person to be a trustee
- Trustees shall serve an initial term of three years, at the end of which they will be eligible for re-appointment for a further three years. Following this term, it is possible for a 75% majority of trustees to vote to re-appoint a trustee for a further term of three years
- The Board meets formally four times each year
- The terms of reference for the Board and each committee are reviewed annually

When a requirement for new trustees is identified due to a need to expand the skills base or to replace trustees who are stepping down, a committee is formed of current trustees to recruit via various avenues which could include advertising within the arts sector, using *pro bono* head-hunting services or networking through existing artistic partners, trustees and staff. New trustees undergo an induction to clarify their legal obligations under charity and company law, the content of the memorandum and articles, the current financial state of the organisation, the most recent business and strategic plans and the delegation and decision-making process. They are invited to meet all members of staff and to be briefed by the leadership team on their roles within the charity. Both internal and external training is offered to trustees as necessary.

Senior management pay is benchmarked against similar organisations in the sector and is discussed and agreed by the Spitalfields Music Finance & Legal Committee.

Statement of Responsibilities

The trustees (who are also directors of Spitalfields Festival Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statement for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming

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resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities FRS102 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 statement; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

This report, including the strategic report, was approved by the trustees.

Signed on behalf of the trustees

DocuSigned by:

D2A5A82A219B45B...
Maurice Biriotti, Chair

02 August 2021

Date

*Spitalfields Music Trustees Report for the period 1 September 2020- 31 March 2021***SPITALFIELDS FESTIVAL LIMITED (Limited by Guarantee) trading as Spitalfields Music
REGULATORY INFORMATION**

| | |
|----------------------------|---|
| BOARD | <p>Maurice Biriotti* (Chair)</p> <p>Lindsey Glen</p> <p>Megan Gray*</p> <p>Michael Keating^</p> <p>Stephen Madigan*</p> <p>Jasmine Mathews*^</p> <p>Nicky Oppenheimer^</p> <p>Katie Tearle MBE</p> <p>Steven Berryman +</p> <p>Melanie Fryer +</p> <p>Jenny Hunting +</p> <p>Andrew Peck *+</p> |
| | <p>*indicates membership of the Finance & Legal Committee</p> <p>^ Stepped down in January 2021</p> <p>+ Joined in January 2021</p> |
| COMPANY SECRETARY | Kimberley Godley-Hendon |
| CHIEF EXECUTIVE | Sarah Gee |
| PRINCIPAL OFFICE 2021) | <p>St Margaret's House, 15 Old Ford Road, London E2 9PJ (to April 2021)</p> <p>Oxford House, Derbyshire Street, London, E2 6HG (from April 2021)</p> |
| REGISTERED OFFICE 2021) | <p>St Margaret's House, 15 Old Ford Road, London E2 9PJ (to April 2021)</p> <p>Oxford House, Derbyshire Street, London, E2 6HG (from April 2021)</p> |
| INDEPENDENT EXAMINERS | Cooper Parry Group Limited, Sky View, Argosy Road, East Midlands Airport, Castle Donington, Derby, DE74 2SA |
| SOLICITORS | Field Fisher Waterhouse LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT |
| BANKERS | <p>CAF Bank Ltd, 25 Kings Hill Avenue, West Malling, Kent ME19 4JQ</p> <p>Barclays Bank, 1 Churchill Place, London E14 5HP</p> <p>Nationwide Building Society, Pipers Way, Swindon, SN38 1NW</p> |
| COMPANY REGISTRATIONS | <p>Charity number: 1052043</p> <p>Registered in England & Wales: 3138347</p> <p>VAT number: 524 7309 51</p> |

Independent Examiner's Report to the Trustees of Spitalfields Festival Limited

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2021.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors of the company 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 the charity 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 2001 ('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

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England & Wales, which is one of the listed bodies.

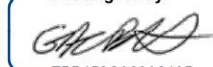
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. Accounting records were not kept in respect of the company 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 396 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 Charities SORP (FRS 102).

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.

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work or for this report.

DocuSigned by:



EBB150CA03A04AB...

Glen Bott FCA

Cooper Parry Group Limited

Sky View
Argosy Road
East Midlands Airport
Castle Donington
DE74 2SA

Date: 30 July 2021

SPITALFIELDS FESTIVAL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD 1 SEPTEMBER 2020- 31 MARCH 2021

| | Note | Unrestricted Funds | Restricted Funds | Total 2021 | Total 2020 NB: 12 months |
|--|----------|-----------------------|---------------------|----------------|--------------------------------|
| | | £ | £ | £ | £ |
| Income: | | | | | |
| <i>Donations and legacies:</i> | | | | | |
| Public Authority Grants | 3 | 180,104 | 15,000 | 195,104 | 208,406 |
| Other Grants, Donations & Gifts | 4 | 32,816 | 130,513 | 163,329 | 234,955 |
| <i>Charitable activities:</i> | | | | | |
| Festivals | | 2,066 | | 2,066 | 2,500 |
| Learning & Participation | | 6,960 | | 6,960 | 24,250 |
| <i>Other Trading Activity</i> | | 5,098 | - | 5,098 | 8,495 |
| <i>Investments</i> | | 26 | - | 26 | 193 |
| Total Income | | 227,070 | 145,513 | 372,583 | 478,799 |
| Expenditure: | | | | | |
| <i>Raising funds:</i> | | | | | |
| Fundraising expenditure | | 32,612 | - | 32,612 | 42,289 |
| Investment Management costs | | 559 | - | 559 | 863 |
| <i>Charitable activities:</i> | | | | | |
| Festivals | | 79,450 | 29,274 | 108,724 | 87,060 |
| Learning & Participation | | 21,770 | 65,282 | 87,052 | 119,590 |
| Creative Encounters (formerly Living Arts) | | - | 39,226 | 39,226 | 118,667 |
| Creative Leadership Programme | | - | 30,357 | 30,357 | 84,330 |
| Christopher Vaughan Legacy projects | | - | - | - | 3,000 |
| NMCF projects | | - | - | - | 9,000 |
| Total Expenditure | 5 | 134,391 | 164,139 | 298,530 | 464,799 |
| Net income/(expenditure) before unrealised gains | | 92,679 | (18,626) | 74,053 | 14,000 |
| Net gains on investments | | 7,293 | 16,636 | 23,929 | 9,476 |
| Net Income/(Expenditure) | | 99,972 | (1,990) | 97,982 | 23,476 |
| Transfers between funds | | (49,114) | 49,114 | - | - |
| Net Movement in Funds | | 50,858 | 47,124 | 97,982 | 23,476 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 167,983 | 238,229 | 406,212 | 382,736 |
| Total funds carried forward | | 218,841 | 285,353 | 504,194 | 406,212 |

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

The accompanying notes form an integral part of these financial statements.

SPITALFIELDS FESTIVAL LIMITED**BALANCE SHEET
AS AT 31 MARCH 2021**

| | Note | 2021 | 2021 | 2020 | 2020 |
|--|------|-----------------|----------------|-----------------|----------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 10 | | 1,681 | | 1,658 |
| Intangible assets | 11 | | 4,723 | | 6,667 |
| Investments | 12 | | 323,926 | | 300,556 |
| | | | <u>330,330</u> | | <u>308,881</u> |
| Current assets | | | | | |
| Debtors | 13 | 9,718 | | 82,827 | |
| Cash at bank and in hand | 14 | 295,252 | | 105,508 | |
| | | <u>304,970</u> | | <u>188,335</u> | |
| Current liabilities | | | | | |
| Creditors falling due within one year | 15 | <u>(81,106)</u> | | <u>(91,004)</u> | |
| Net current assets | | | <u>223,864</u> | | <u>97,331</u> |
| Creditors falling due after more than one year | 16 | <u>(50,000)</u> | | <u>-</u> | |
| Net assets | | | <u>504,194</u> | | <u>406,212</u> |
| The funds of the charity: | 17 | | | | |
| Unrestricted funds | | | 218,841 | | 167,983 |
| Restricted funds | | | <u>285,353</u> | | <u>238,229</u> |
| Total charity funds | | | <u>504,194</u> | | <u>406,212</u> |

The members acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The financial statements were approved and authorised for issue by the Board of Trustees on 30 July 2021 and signed on its behalf by:

DocuSigned by:

 12A6231290B142A...

Stephen Madigan FCCA
 Chair of the Finance & Legal Committee

The accompanying notes form an integral part of these financial statements.

Company registration no: 3138347

SPITALFIELDS FESTIVAL LIMITEDSTATEMENT OF CASH FLOWS
FOR THE PERIOD 1 SEPTEMBER 2020- 31 MARCH 2021

| | | NB: 12 months | |
|--|-----------|-----------------------|-----------------------|
| | | 2021 | 2020 |
| | | £ | £ |
| Cash flows from operating activities: | | | |
| Net cash provided outflow from operating activities | 21 | <u>189,159</u> | <u>(8,496)</u> |
| Cash flows from investing activities: | | | |
| Net gains from investments: | | | |
| Interest from investments | | 26 | 193 |
| Proceeds from the sale of investments | | 559 | 863 |
| Net cash provided by investing activities | | <u>585</u> | <u>1,056</u> |
| Reconciliation of cash and cash equivalents | | | |
| Change in cash and cash equivalents in the year | | 189,744 | (7,440) |
| Cash and cash equivalents at beginning of year | | 105,508 | 112,948 |
| Cash and cash equivalents at end of year | 14 | <u><u>295,252</u></u> | <u><u>105,508</u></u> |

The accompanying notes form an integral part of these financial statements.

SPITALFIELDS FESTIVAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE PERIOD 1 SEPTEMBER 2020- 31 MARCH 2021

1 Accounting Policies**a) Basis of preparation**

Spitalfields Festival Limited t/a Spitalfields Music is a company limited by guarantee in the United Kingdom, registered office at 15 Old Ford Road, London E2 9PJ. From April 2021, the charity has moved to Oxford House, Derbyshire Street, London, E2 6HG. Until 31st August 2020, the charity's financial year ran from 1st September- 31st August. In 2020 the decision was made to move the charity's financial year to 1st April- 31st March effective from 2021. In accordance with company law, the charity has opted to run a short financial period from 1st September 2020- 31st March 2021, so this is the period covered throughout these financial statements and should be noted when comparing to the previous 12-month period.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The nature of the charity's operations and principal activity is to maintain, improve and advance the education of the public through musical activities. The charity meets the definition of a public benefit entity under FRS102.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102). The company is a public benefit entity for the purposes of FRS102 and a registered charity established as a company limited by guarantee and therefore has also prepared its financial statements in accordance with the 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 (The FRS102 Charities SORP 2019), and the Companies Act 2006. The functional currency is GBP sterling.

The principal accounting policies adopted in the preparation of the financial statements are set out below:

b) Going concern

The trustees have assessed whether the use of going concern is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. Special attention has been paid to this throughout 2020-21 in light of the global COVID-19 pandemic which has had significant impact on the sector. Trustees have met regularly throughout the pandemic and reviewed the way risks are monitored. The trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the trustees have considered the charitable company's forecasts and projections and have taken account of additional pressures on income, particularly in light of the pandemic. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charitable company has adequate reserves to sustain the charitable company's future plans. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

c) Income

Income is accounted for as unrestricted unless restrictions exist under the terms on which they are received or solicited. Voluntary income and donations are accounted for on an accruals basis. All income in the Statement of Financial Activities is shown gross of the associated costs and is accounted for where there is entitlement to the income, it is probable that the benefits associated with it will flow to the charity and it can be reliably measured. Income from charitable activities is recognised as it is earned. Where amounts are billed in advance of the activity being carried out, the income is deferred. Legacy income is recognised when its amount and receipt is probable.

Help/Gifts in Kind: On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Donations, including donations from individuals, corporate donations and donations from trusts and foundations are recognised when the charity is entitled to the income, subject to any conditions attached to the donation.

There were no unfulfilled conditions or contingencies in respect of any of the above grants. The only other government assistance during this period was from the HMRC Coronavirus Job Retention Grant which arose as a result of some staff members being furloughed due to the delivery of work being postponed by the COVID-19 pandemic.

d) Expenditure

All expenses are accounted for on an accruals basis. Wherever possible costs are allocated directly to the appropriate activity; other overhead, support and governance costs common to all activities are apportioned between those activities on the basis of the proportion of staff time spent in each activity. The charity initially identifies the costs of its support functions including those costs relating to the governance function. These are apportioned between the key activities undertaken on the basis of the proportion of staff time spent on each activity. Direct costs include all staff and materials brought together solely for that activity.

Fundraising expenditure comprises costs incurred in inducing people and organisations to contribute financially to the charity's work. This includes the cost of advertising for donations and the staging of special fundraising events.

Expenditure incurred in connection with the specific objects of the charity is included under the heading *Charitable activities*. This includes funds spent on artists, practitioners and production costs associated with our Festival events and Learning & Participation programme.

The irrecoverable element of VAT is charged against the category of resources expended for which it was incurred.

e) Tangible fixed assets and depreciation

All assets acquired for continuing use by the charity costing more than £500 are initially capitalised at cost and measured subsequently at cost less depreciation and any impairment losses.

Depreciation of tangible and intangible fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Furniture, Website & Office Equipment: three years

Musical Instruments: case by case basis depending on type of instrument.

f) 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. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

g) 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.

h) Creditors

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

i) Financial instruments

The charity only has financial assets and financial liabilities of the kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

- Investments measured at their fair value as at the balance sheet date
- All other assets and liabilities are held at cost

j) Investments

Investments are stated at fair value using their market rate as at the balance sheet date. The statement of financial activities includes the net gains or losses arising on revaluation throughout the year. Any net gain or loss in the year is split proportionally across the funds that are invested.

SPITALFIELDS FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD 1 SEPTEMBER 2020- 31 MARCH 2021

1 Accounting Policies (continued)**k) Funds**

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objects of the charity and have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

l) Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

m) Pensions

The charity contributes to a Group Personal Pension scheme at the rate of 5% of annual salary. The cost of providing pensions for employees is charged to the Statement of Financial Activities in the year in which the contributions are due. The charity has no liability beyond making its contribution and paying across the deductions for the employees' contributions.

n) Operating leases

Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the term of the lease.

2 Critical accounting estimates and areas of judgement

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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical accounting estimates to declare.

SPITALFIELDS FESTIVAL LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD 1 SEPTEMBER 2020- 31 MARCH 2021

| 3 Public Authority Grants | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ |
|--|---------------------------------|-------------------------------|-----------------------------|
| Arts Council, England - Revenue Funding | 41,585 | - | 41,585 |
| Arts Council England- Emergency CV-19 Funding | 10,911 | - | 10,911 |
| Culture Recovery Fund (Arts Council England/ DCMS) | 93,154 | - | 93,154 |
| City of London - Revenue Funding | 20,000 | 10,000 | 30,000 |
| London Borough of Tower Hamlets | 5,000 | 5,000 | 10,000 |
| HMRC Coronavirus Job Retention (Furlough) Grant | 9,454 | - | 9,454 |
| | 180,104 | 15,000 | 195,104 |
| | Unrestricted Funds £ | Restricted Funds £ | Total 2020 £ |
| Arts Council, England - Revenue Funding | 71,288 | - | 71,288 |
| Arts Council England- Emergency CV-19 Funding | 65,468 | - | 65,468 |
| City of London - Revenue Funding | - | 39,816 | 39,816 |
| London Borough of Tower Hamlets | 2,000 | 8,000 | 10,000 |
| HMRC Coronavirus Job Retention (Furlough) Grant | 21,834 | - | 21,834 |
| | 136,756 | 47,816 | 208,406 |

There were no unfulfilled conditions or contingencies in respect of any of the above grants.

The charity received government assistance in the form of grants from the Culture Recovery Fund and Job Retention Furlough Scheme. Both were directly related to the pandemic.

| 4 Other Grants, Donations & Gifts | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ |
|--|---------------------------------|-------------------------------|-----------------------------|
| Trusts & Foundations | 15,000 | 77,600 | 92,600 |
| Corporate Donations | - | - | - |
| Donations from Individuals | 15,661 | 22,550 | 38,211 |
| Legacies | - | 17,500 | 17,500 |
| Donations in kind | 2,155 | 12,863 | 15,018 |
| | 32,816 | 130,513 | 163,329 |
| | Unrestricted Funds £ | Restricted Funds £ | Total 2020 £ |
| Trusts & Foundations | 42,940 | 108,000 | 150,940 |
| Corporate Donations | 0 | 0 | 0 |
| Donations from Individuals | 30,885 | 19,656 | 50,541 |
| Legacies | 0 | 0 | 0 |
| Donations in kind | 1,580 | 31,894 | 33,474 |
| | 75,405 | 159,550 | 234,955 |

| 5 Total expenditure | Direct costs 2021 £ | Support costs 2021 £ | Total 2021 £ |
|--|------------------------------------|-------------------------------------|-----------------------------|
| Raising Funds | 25,849 | 7,322 | 33,171 |
| Charitable activities: | | | |
| Festivals | 87,631 | 21,093 | 108,724 |
| Learning & Participation | 71,487 | 15,565 | 87,052 |
| Creative Encounters (formerly Living Arts) | 31,686 | 7,540 | 39,226 |
| Creative Leadership Programme | 25,034 | 5,323 | 30,357 |
| Christopher Vaughan Legacy projects | - | - | - |
| NMCF projects | - | - | - |
| | 241,687 | 56,843 | 298,530 |
| | Direct costs 2020 £ | Support costs 2020 £ | Total 2020 £ |
| Raising Funds | 34,247 | 8,905 | 43,152 |
| Charitable activities: | | | |
| Festivals | 72,012 | 15,048 | 87,060 |
| Learning & Participation | 102,505 | 17,085 | 119,590 |
| Creative Encounters (formerly Living Arts) | 102,059 | 16,608 | 118,667 |
| Early Years Music | - | - | - |
| Creative Leadership Programme | 72,372 | 11,958 | 84,330 |
| Christopher Vaughan Legacy projects | 3,000 | - | 3,000 |
| NMCF projects | 9,000 | - | 9,000 |
| | 395,195 | 69,604 | 464,799 |

| Prior year restricted and unrestricted funds comparator | Unrestricted Funds 2020 £ | Restricted Funds 2020 £ | Total 2020 £ |
|--|--|--|-----------------------------|
| <i>Raising funds:</i> | | | |
| Fundraising expenditure | 42,289 | - | 42,289 |
| Investment Management costs | 863 | - | 863 |
| <i>Charitable activities:</i> | | | |
| Festivals | 63,559 | 23,501 | 87,060 |
| Learning & Participation | 21,648 | 97,942 | 119,590 |
| Creative Encounters (formerly Living Arts) | - | 118,667 | 118,667 |
| Creative Leadership Programme | - | 84,330 | 84,330 |
| Christopher Vaughan Legacy projects | - | 3,000 | 3,000 |
| NMCF projects | - | 9,000 | 9,000 |
| | 128,359 | 336,440 | 464,799 |

SPITALFIELDS FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD 1 SEPTEMBER 2020- 31 MARCH 2021

5 Total expenditure (continued)**Analysis of governance and other support costs**

| | Raising Funds | Festivals | Learning & Participation | Creative Encounters (formerly Living Arts) | Creative Leadership Programme | 2021 Total |
|-----------------------------|---------------|-----------|--------------------------|--|-------------------------------|------------|
| Support Costs | | | | | | |
| Finance & Strategy | 2,177 | 5,315 | 5,261 | 2,643 | 1,866 | 17,262 |
| Office Costs | 1,227 | 2,135 | 2,629 | 1,351 | 955 | 8,297 |
| Premises Costs | 1,558 | 2,783 | 3,563 | 1,893 | 1,336 | 11,133 |
| Publicity & Promotion | 1,001 | 7,000 | 1,002 | 750 | 680 | 10,433 |
| Governance Costs | 1,019 | 1,823 | 2,333 | 1,240 | 875 | 7,290 |
| Depreciation & Amortisation | 340 | 607 | 777 | 413 | 291 | 2,428 |
| Total Support Costs | 7,322 | 19,663 | 15,565 | 8,290 | 6,003 | 56,843 |
| | | | | | | 2020 Total |
| Support Costs | | | | | | |
| Finance & Strategy | 1,551 | 4,297 | 3,575 | 3,231 | 2,328 | 14,982 |
| Office Costs | 1,943 | 2,795 | 3,497 | 3,496 | 2,517 | 14,248 |
| Premises Costs | 3,411 | 4,896 | 6,122 | 6,121 | 4,408 | 24,958 |
| Publicity & Promotion | 1,138 | 1,262 | 1,578 | 1,578 | 1,135 | 6,691 |
| Governance Costs | 312 | 519 | 648 | 648 | 466 | 2,593 |
| Depreciation & Amortisation | 734 | 1,226 | 1,534 | 1,534 | 1,104 | 6,132 |
| Total Support Costs | 9,089 | 14,995 | 16,954 | 16,608 | 11,958 | 69,604 |

Included in direct costs are amounts representing donated goods, services and facilities. The total benefit of help in kind received in the period was £15,018 (2020: £33). This help in kind includes free or discounted hire of venues and equipment for festival and learning & participation events, as well as pro bono advice and legal services.

| Net (expenditure) /income is stated after charging: | 2021 £ | 2020 £ |
|---|--------|--------|
| Depreciation & Amortisation | 2,428 | 6,135 |
| Independent Examination fees | 2,500 | 2,075 |
| Operating lease charges | 11,133 | 18,053 |

6 Staff Costs

| | 2021 £ | 2020 £ |
|---------------------------|---------|---------|
| Staff costs comprise: | | |
| Wages and salaries | 89,367 | 135,855 |
| Social security costs | 6,305 | 10,415 |
| Pension costs | 5,028 | 5,809 |
| | 100,700 | 152,079 |
| Freelance and Consultancy | 60,275 | 106,130 |
| Total Staff Costs | 160,975 | 258,209 |

Key management personnel include the trustees, Chief Executive and two senior staff reporting directly to the Chief Executive. The total remuneration of the charity's key management personnel (Chief Executive and two senior staff) were £67,110 (2020: £136,304 for Chief Executive and three senior staff). Please note that the Chief Executive is a contractor.

The average number of staff employed during the year was 5 (2020: 6).

No employees or contractors earned over £60,000 during the period. (2020: nil).

7 Pension Commitments

The charity operates a defined contribution pension scheme. Pension costs for the period have been charged at £5,028 as outlined above (2020: £5,809). At the period end, £nil was owed to the scheme (2020: £nil).

8 Trustees

The trustees received no remuneration during the year (2020: nil).

No expenses were reimbursed to trustees for travel or other costs incurred on behalf of the charity. There were no direct costs associated with refreshments and hospitality at trustee meetings and no venue costs or help in kind as all meetings took place remotely during the period due to the pandemic (2020: refreshments and hospitality: £nil. Help in kind for venues valued at £280).

9 Related party transactions

Donations from trustees in the period to 31 March 2021 came to £11,650 (2020: £6,108). Donations from the management team equalled £405. There was one other related party transaction in the period. M Biriotti is also a director of SHM Productions who gave a grants totalling £20,000 (2020: £60,000) to Spitalfields Festival Limited. There were no other

SPITALFIELDS FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD 1 SEPTEMBER 2020- 31 MARCH 2021

10 Tangible Fixed Assets

| | Piano £ | Office Equipment £ | Furniture £ | Total £ |
|-------------------------|--------------|--------------------------|----------------|---------------|
| Cost | | | | |
| At 1 September 2020 | 4,095 | 11,658 | 3,714 | 19,467 |
| Additions | - | 507 | - | 507 |
| Disposals | - | - | - | - |
| At 31 March 2021 | 4,095 | 12,165 | 3,714 | 19,974 |
| Depreciation | | | | |
| At 1 September 2020 | 4,095 | 10,000 | 3,714 | 17,809 |
| Charge for year | - | 484 | - | 484 |
| Eliminated on disposals | - | - | - | - |
| At 31 March 2021 | 4,095 | 10,484 | 3,714 | 18,293 |
| Net book value | | | | |
| At 31 March 2021 | - | 1,681 | - | 1,681 |
| At 31 August 2020 | - | 1,658 | - | 1,658 |

All assets relate to the charitable activities. The piano was valued by the trustees on 31 December 2000, having been donated to the charity in 1995.

11 Intangible Fixed Assets

| | Website £ | Total £ |
|--------------------------|---------------|---------------|
| Cost | | |
| At 1 September 2020 | 10,000 | 10,000 |
| Additions | - | - |
| Disposals | - | - |
| At 31 August 2021 | 10,000 | 10,000 |
| Amortisation | | |
| At 1 September 2020 | 5,278 | 5,278 |
| Charge for year | 1,944 | 1,944 |
| Eliminated on disposals | - | - |
| At 31 August 2020 | 1,944 | 7,222 |
| Net book value | | |
| At 31 August 2021 | 4,723 | 4,723 |
| At 31 August 2020 | 6,667 | 6,667 |

12 Investments

| | 2021 £ | 2020 £ |
|---|----------------|----------------|
| Investments as at 1 September 2020 | 300,556 | 291,943 |
| Investment Manager costs | (559) | (863) |
| Additions | - | - |
| Net investment gain | 23,929 | 9,476 |
| Total investments at 31 March 2021 | 323,926 | 300,556 |

At 31 March 2021, all investments held by the charity were with the Cazenove Charities Multi-Asset Fund. This fund is registered with the Charity Commission.

The investments are listed on a recognised stock exchange in accordance with the charity's investment policy.
Investments held during the year were not income bearing.

13 Debtors

| | 2021 £ | 2020 £ |
|---|--------------|---------------|
| Debtors: amounts falling due within one year | | |
| Trade debtors | - | 10,218 |
| Prepayments and Accrued Income | 9,718 | 71,356 |
| | 9,718 | 81,574 |
| Debtors: amounts falling due over more than one year | | |
| Other debtors | - | 1,253 |
| | 9,718 | 82,827 |

14 Analysis of cash and cash equivalents

| | 2021 £ | 2020 £ |
|---------------------------------|----------------|----------------|
| Cash in hand | 295,252 | 105,508 |
| Total cash and cash equivalents | 295,252 | 105,508 |

15 Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|---------------------------------------|---------------|---------------|
| Trade creditors | - | 760 |
| Other taxes and social security costs | 7,184 | 602 |
| Deferred Income | 39,983 | 71,568 |
| Accruals | 33,939 | 18,074 |
| | 81,106 | 91,004 |

16 Creditors: amounts falling due after more than one year

| | 2021 £ | 2020 £ |
|-----------|---------------|-----------|
| Bank loan | 50,000 | - |
| | 50,000 | - |

Included within bank loans due after one year is £50,000 received from Barclays Bank UK plc in respect of a Bounce Bank loan. Interest on this loan is charged at 2.5% per annum with the UK government paying interest on the loan for the first 12 months. The term of the loan is 6 years with repayments commencing 13 months from the date of drawdown at a rate of £833.33 per month.

| | 2021 £ | 2020 £ |
|---|---------------|---------------|
| Movements in deferred income in the year were as follows: | | |
| Balance brought forward | 71,568 | 35,000 |
| Amounts released in the year | (60,000) | (35,000) |
| Amounts deferred in the year | 28,415 | 71,568 |
| Balance carried forward | 39,983 | 71,568 |

SPITALFIELDS FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD 1 SEPTEMBER 2020- 31 MARCH 2021

| 17 Reserves | Brought Forward 01-Sep-20 £ | Transfer Between Funds £ | Income £ | Expenditure £ | Transfer from Unrestricted Fund £ | Carried Forward 31-Mar-21 £ |
|---|-----------------------------------|--------------------------------|----------------|------------------|--|-----------------------------------|
| Restricted Endowment | | | | | | |
| New Music Commission Fund | - | - | - | - | - | - |
| Restricted Funds | | | | | | |
| Christopher Vaughan Legacy | 66,709 | - | 5,246 | - | - | 71,955 |
| New Music Commission Fund | 141,944 | - | 11,193 | - | - | 153,137 |
| Learning & Participation Fund | 11,713 | - | 65,113 | (65,282) | - | 11,544 |
| Ruby Lambert Legacy Fund (Soundbox) | - | - | 7,500 | - | - | 7,500 |
| Creative Leadership Programme Fund | 2,794 | - | 27,600 | (30,357) | - | 37 |
| Creative Encounters (formerly Living Arts) Fund | (287) | - | 40,000 | (39,226) | 40,487 | 40,974 |
| Festivals Fund | 15,356 | - | 5,497 | (29,274) | 8,627 | 206 |
| Total Restricted Funds | 238,229 | - | 162,149 | (164,139) | 49,114 | 285,353 |
| Unrestricted Funds | | | | | | |
| General Fund | 167,983 | - | 234,363 | (134,391) | (49,114) | 218,841 |
| Total Unrestricted Funds | 167,983 | - | 234,363 | (134,391) | (49,114) | 218,841 |
| Total Funds | 406,212 | - | 396,512 | (298,530) | - | 504,194 |

| | Brought Forward 01-Sep-19 £ | Transfer Between Funds £ | Income £ | Expenditure £ | Transfer from Unrestricted Fund £ | Carried Forward 31-Aug-20 £ |
|------------------------------------|-----------------------------------|--------------------------------|----------------|------------------|--|-----------------------------------|
| Restricted Funds | | | | | | |
| Christopher Vaughan Legacy | 67,631 | - | 2,078 | (3,000) | - | 66,709 |
| New Music Commission Fund | 146,512 | - | 4,432 | (9,000) | - | 141,944 |
| Early Years Music Fund | - | - | - | - | - | - |
| Learning & Participation Fund | 23,950 | - | 63,719 | (97,942) | 21,986 | 11,713 |
| Creative Leadership Programme Fund | 2,500 | - | 45,500 | (84,330) | 39,124 | 2,794 |
| Living Arts Fund | 27,243 | - | 82,791 | (118,667) | 8,346 | (287) |
| Festivals Fund | - | - | 15,356 | (23,501) | 23,501 | 15,356 |
| Total Restricted Funds | 267,836 | - | 213,876 | (336,440) | 92,957 | 238,229 |
| Unrestricted Funds | | | | | | |
| General Fund | 114,900 | - | 274,399 | (128,359) | (92,957) | 167,983 |
| Total Unrestricted Funds | 114,900 | - | 274,399 | (128,359) | (92,957) | 167,983 |
| Total Funds | 382,736 | - | 488,275 | (464,799) | - | 406,212 |

Transfers to restricted funds are for the Neighbourhood Schools programme (Learning & Participation Fund), Trainee Music Leaders programme (Creative Leadership Fund), Creative Encounters (formerly Living Arts Fund) and Festival programming delayed to the following financial period due to the COVID-19 pandemic (Festivals Fund)

Restricted funds represent funds donated for a specific project, and are allocated as shown above.

Christopher Vaughan Legacy — This is a restricted fund to support musical education for children in the London Borough of Tower Hamlets and performances by younger musicians. The funds are invested in accordance with the investment policy and the trustees aim to draw on this fund for new areas of activity which are being developed or areas which are considered to be important but cannot attract external funding.

New Music Commission Fund — This fund was set up by Judith Weir at the time that she stepped down as Artistic Director of Spitalfields Music. Funds are invested in accordance with the investment policy. Funds are to be spent on fees for writing new music for Spitalfields Music Festivals.

Early Years Music Fund — This fund is based around the income and project costs for the Musical Rumpus and Sound Explorers series. Grants are made by funders and project costs including staffing and a proportional contribution towards wider support costs are included in expenses. The final project currently planned in this series took place in 2017-18.

Learning & Participation Fund - This fund is based around the income and project costs for our year round Learning & Participation programme, including our work with local Schools. Grants are made by funders and project costs including staffing and a proportional contribution towards wider support costs are included in expenses. Carry forward amounts are grants made in year that are intended for a future year's expenditure.

Creative Leadership Programme Fund - This fund represents grant income made for our Open Call and Trainee Music Leaders Programmes. Project costs include a contribution towards staffing and wider support costs. Carry forward amounts are grants made in year that are intended for a future year's expenditure.

Creative Encounters (formerly Living Arts) Fund - This fund represents grant income made for our three year programme working with residents in care homes in London Borough of Tower Hamlets. Project costs include a contribution towards staffing and wider support costs. Carry forward amounts are donations and grants made in year that are intended for a future year's expenditure.

Festivals Fund — This fund represents grant income made to support specific projects during Spitalfields Music Festivals. Grants are made by funders and project costs including staffing and a proportional contribution towards wider support costs are included in expenses.

SPITALFIELDS FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD 1 SEPTEMBER 2020- 31 MARCH 2021

18 Analysis of Net Assets between Funds

| At 31 March 2021 | 2021 Tangible & Intangible Fixed Assets £ | 2021 Investments £ | 2021 Net Current Assets £ | 2021 Non-current Liabilities £ | 2021 Total £ |
|--|---|--------------------------|---------------------------------------|---|--------------------|
| Restricted: Christopher Vaughan Legacy | - | 71,019 | 936 | | 71,955 |
| Restricted: NMCF | - | 151,516 | 1,621 | | 153,137 |
| Restricted: Learning & Participation | - | - | 11,544 | | 11,544 |
| Restricted: Ruby Lambert Legacy Fund (Soundbox) | - | - | 7,500 | | 7,500 |
| Restricted: Creative Leadership Programme | - | - | 37 | | 37 |
| Restricted: Creative Encounters (formerly Living Arts) | - | - | 40,974 | | 40,974 |
| Restricted: Festivals | - | - | 206 | | 206 |
| Unrestricted | 6,404 | 101,391 | 111,046 | 50,000 | 218,841 |
| | <u>6,404</u> | <u>323,926</u> | <u>173,864</u> | <u>50,000</u> | <u>504,194</u> |

| At 31 August 2020 | 2020 Tangible & Intangible Fixed Assets £ | 2020 Investments £ | 2020 Net Current Assets £ | 2020 Total £ |
|--|---|--------------------------|---------------------------------------|--------------------|
| Restricted: Christopher Vaughan Legacy | 0 | 65,895 | 814 | 66,709 |
| Restricted: NMCF | 0 | 140,585 | 1,359 | 141,944 |
| Restricted: Learning & Participation | 0 | 0 | 11,713 | 11,713 |
| Restricted: Creative Leadership Programme | 0 | 0 | 2,794 | 2,794 |
| Restricted: Creative Encounters (formerly Living Arts) | 0 | 0 | (287) | (287) |
| Restricted: Festivals | 0 | 0 | 15,356 | 15,356 |
| Unrestricted | 8,325 | 94,076 | 65,582 | 167,983 |
| | <u>8,325</u> | <u>300,556</u> | <u>97,331</u> | <u>406,212</u> |

19 Financial Commitments

At 31 March 2021 the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2021 £ | 2020 £ |
|-------------------|--------------|---------------|
| <u>Equipment:</u> | | |
| Within one year | - | - |
| | <u>-</u> | <u>-</u> |
| | £ | £ |
| <u>Buildings:</u> | | |
| Within one year | 8,772 | 20,160 |
| | <u>8,772</u> | <u>20,160</u> |

20 Control and Share Capital

The charity is a company limited by guarantee. In the event of the company being wound up the guarantee is limited to £1 per member.

21 Reconciliation of net movement in funds to net cash flow from operating activities

| | 2021 £ | 2020 £ |
|---------------------------------------|----------------|----------------|
| Net expenditure for the year | 97,982 | 23,476 |
| Adjustments for: | | |
| Depreciation charges | 484 | 2,802 |
| Amortisation charges | 1,944 | 3,333 |
| Net gains on investments | (23,929) | (9,476) |
| Interest received | (26) | (193) |
| Capital expenditure | (507) | (12,487) |
| (Increase)/Decrease in debtors | 73,109 | (55,757) |
| Increase/(Decrease) in creditors | 40,102 | 39,806 |
| Net cash used in operating activities | <u>189,159</u> | <u>(8,496)</u> |