

Company registration number: 03487093

Charity registration number: 1068710

# Coda Music Trust Ltd

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020

Westlake Clark Audit LLP  
Chartered Accountants  
7 Lynwood Court  
Priestlands Place  
Lymington  
Hampshire  
SO41 9GA

# **Coda Music Trust Ltd**

## **Contents**

Reference and Administrative Details	1
Strategic Report	2
Trustees' Report	3 to 8
Statement of Trustees' Responsibilities	9
Independent Examiner's Report	10
Statement of Financial Activities	11
Balance Sheet	12
Notes to the Financial Statements	13 to 27

## **Coda Music Trust Ltd**

### **Reference and Administrative Details**

<b>Chief Executive Officer</b>	Mr P Hallett
<b>Trustees</b>	Mr T M Clark, Chair Mr T W Lodge (resigned 14 July 2020) Mr K R Dearsley Mrs A Jeffery
<b>Principal Office</b>	Chewton Farm Road Walkford Christchurch Dorset BH23 5QL
<b>Registered Office</b>	Chewton Farm Road Walkford Christchurch Dorset BH23 5QL
<b>Company Registration Number</b>	03487093
<b>Charity Registration Number</b>	1068710
<b>Independent Examiner</b>	Westlake Clark Audit LLP Chartered Accountants 7 Lynwood Court Priestlands Place Lymington Hampshire SO41 9GA

## **Coda Music Trust Ltd**

### **Strategic Report for the Year Ended 31 August 2020**

The Trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 August 2020, in compliance with s414C of the Companies Act 2006.

The strategic report was approved by the Trustees of the Charity on 20 May 2021 and signed on its behalf by:



.....  
Mr T M Clark  
Chair of Trustees

## **Coda Music Trust Ltd**

### **Trustees' Report (including Directors' Report)**

The Trustees who are also Directors for the purposes of the Companies Act present their report and the un-audited financial statements of the Charity for the year ended 31 August 2020.

#### Introduction

Coda Music Trust Limited (Coda) is a Company Limited by guarantee and is a registered charity operating from Coda Music Centre, Chewton Farm Road, Walkford, Christchurch, Dorset. It is governed by its Memorandum and Articles of Association and was incorporated on 30 December 1997.

#### Objects of the Charity

Coda was originally established in 1992 and in 1997 registered as Coda Music Trust Ltd with the Charity Commission (Reg. No 1068710) with the purpose of providing education to the public through music.

#### About Coda

Coda Music Trust aims to transform lives, both young and old, by enabling music for all. To this end, we provide opportunities for all ages and sectors of the community, from pre-school to retirement age and beyond. Coda specialises in high quality music education and in work with children and adults with physical and learning disabilities and other health issues through a broad programme of music therapy, music tuition and participatory music programmes.

Coda's trustees have had due regard to the Charity Commission's guidance on public benefit.

Coda Music Trust is a unique, award winning and inclusive local charity reaching all sectors of our local community including some of the most vulnerable people. We believe that music is undeniably a force for good, whether in the listening or in the playing; wherever in the world it is found, it has never been anything other than both pleasurable and beneficial; it uplifts the spirit and, created in company, will engender love and friendship.

Coda owns and operates a three acre former farm site which currently consists of the following:

- The region's only dedicated music therapy centre with dedicated music therapy studios, relevant equipment, and an office space;
- A dedicated music tuition centre with 12 spaces for teaching. There is capacity to teach c.600 students a week on site;
- A workshop, meeting and café type space, The Coda Social;
- The Beach Studios, a commercial recording studio (owned, since 2011, by Red Triangle Productions);
- A large stable area with associated grain store, machine house and garages;
- A field bordering the roads at the front of the site circa 0.5 of an acre.

#### Overview of Current Activities

*Music Tuition and Learning* - Coda offers music tuition and creative music making to individuals and groups of students of all ages at Coda Music Centre and in local schools and community settings. In recent years Coda has worked with some 500 people at the Centre each week and we are the only independent music centre of our kind in the region. We provide instrumental tuition, a range of social groups and ensembles, courses, workshops and rehearsal space. In recent years our work with adults seeking social and life-long learning opportunities has grown significantly with successful piano and guitar courses offered alongside the highly successful Ukulele band, wind band, choirs and folk sessions.

Our work reaches up to 300 more children in schools each week through the First Access programme in primary schools and other creative projects at Key Stage 1, 2, 3 and 4. Coda also creates music projects with people across Dorset and Hampshire through an outreach programme created in response to specific local need. Projects use music as a tool for learning and for social change, often tackling issues of social deprivation or disengagement among young people and families

## **Coda Music Trust Ltd**

### **Trustees' Report (including Directors' Report)**

*Music, Health and Wellbeing* - Coda works with children, young people and adults with a wide range of disabilities and health issues living in Dorset, Hampshire and beyond. We provide a clinical music therapy service and creative interventions aimed at making a difference to participants' emotional, physical, and mental health and well-being. Music and health services take place both on-site at Coda, in special schools, health care settings and in the community, and provide individual and group music therapy, arts and health programmes, assessments, and community projects.

Coda's activities are delivered in partnership with a range of organisations across the locality including:

- Local Music agencies - including the music hubs across the region led by Soundstorm, Hampshire Music Service and Dorset Music Service;
- Schools - Primary and Secondary schools across the region;
- Further and Higher Education Colleges - including Bournemouth University, Arts University Bournemouth and Southampton and Solent Universities;
- Regional and National Arts Organisations - including Bournemouth Symphony Orchestra, Hampshire Art for Recreation and Therapy and many others;
- Disability Charities - including Key Changes, The Minstead Trust and Wessex Autism;
- Local residential care homes and day centres for older people and for adults with disabilities.

#### The Global Coronavirus Pandemic

The events of the past year are unprecedented in Coda's history and had a profound impact on the charity's work during the year. Coda Music Centre, like many other cultural and educational facilities, was forced to close in March 2020 following instruction from HM Government. The "lockdown" of society to prevent spread of the deadly Covid-19 virus meant that all face-to-face services stopped abruptly and many of our spring and summer term activities were cancelled.

To this point however, Coda's year had started as usual with traditional learning programmes, projects and health and wellbeing services continuing to grow across the locality. Following the initial hiatus caused by the pandemic, Coda quickly adapted and innovated and by June 2020 we were back delivering a range of online services, particularly for the most vulnerable in our local community. Below is a summary of our activities in 2020:

#### **Music Tuition and Learning:**

Coda's music learning programmes were forced to adapt in 2020 as a result of the pandemic but we continued to provide opportunities for children, young people and adults in the local area and successfully began to deliver one to one tuition and arrange group music making sessions online via Zoom. Weekly lessons online were provided to over 180 students throughout the lockdown and our kids ukulele club, health and happiness choir, ukulele band, and folk orc all met regularly online to rehearse and socialise - a lifeline for many people who were justifiably isolated and anxious due to the pandemic.

## **Coda Music Trust Ltd**

### **Trustees' Report (including Directors' Report)**

During the year Coda continued to play a key role in the local Music Hub, in particular working closely with the award-winning agency, Soundstorm in Bournemouth, Christchurch and Poole (BCP). As a provider of a range of music services, Coda regularly works with up to ten schools at one time through a team of experienced music leaders and has developed a reputation for the quality of its creative projects and learning outcomes. In 2020 we continued our strategic work with infant schools in BCP, with Sam Mason offering training and mentor support to teachers in 4 local schools (both in school and online during lockdown) and providing inspirational education projects throughout the year.

Our outreach programme for young people centred on The Coda Fiddle Orchestra, a performing Orchestra unlike any other in the region that works with children aged 4 to 17 years in Boscombe, Bournemouth, an area of significant deprivation. The forty strong Fiddle Orchestra, includes a starters group for children as young as 4 years and a performing orchestra featuring many outstanding young players of Grade 8 and Diploma standard. The Orchestra has been generously supported by Soundstorm through the Music Hub for Bournemouth and Poole, The John Thornton Young Achievers Foundation, Bournemouth Rotary Club, and The Sound of Soul Choir plus a range of individual donors and in 2020 faced the retirement of its founding Director Jack Maguire as well as the disruption of the Coronavirus pandemic. We were delighted to offer Jack an honorary role with the project and to welcome Fiona McKinley and Matthew Fairman as new leaders of the project. During the lockdown, the Fiddle Orchestra met online rather than face to face, and in recent months we have begun a new collaboration with Creative Kids, a Boscombe based charity who will provide a new home to the Orchestra once rehearsals begin face to face again.

Coda also collaborated with a number of local organisations to devise and deliver music projects, workshops, performances and events including DJ and recording projects with local young people in Somerford with local charity Christchurch Activities for Young People. The developing relationship with the collective of cultural and heritage organisations across the New Forest known as Folio gave us continued impetus to expand our work in and around the Forest and in the autumn of 2019 Coda's Folk Orc, an ensemble of up to 25 local musicians, conducted a successful workshop and performance tour to key towns and community centres, while our Christmas celebration for the ensembles and bands that meet each week at Coda was hosted by New Milton Memorial Centre for the first time.

#### **Music, Health and Well Being:**

During the pandemic Coda's music and wellbeing programme was more important than ever and we were committed to continuing to support the local community throughout the crisis. Our Beautiful Sounds music workshops for adults with learning disabilities quickly moved online and provided a lifeline to many isolated and lonely individuals. The raucous live and recorded sessions (broadcast via Zoom and Youtube) led by Stuart Jebbitt reached over 2000 people while in lockdown and Coda was awarded a Thumbs Up Award by Wessex Autism for its ongoing support for their community.

Also key at this time was our commitment to developing relevant services for the people in our local community, in particular older people and during the pandemic we devised and created a series of 20 films to support older people at risk of isolation. Using old gramophone players and shellac discs and Dansette players and vinyl 45s our films explored music from the 1940s, 1950s and 1960s as tools for reminiscence and enjoyment.

Coda's popular Health and Happiness daytime choir also continued throughout lockdown with sessions taking place online each week providing a space to meet and find solace in singing and breathing.

## **Coda Music Trust Ltd**

### **Trustees' Report (including Directors' Report)**

Coda's Music Therapy programme delivered by Owain Clarke and Rachel Crennell was badly affected by the pandemic and much reduced as the danger to therapy clients was too great and online therapy largely impossible. However, our work in Linwood Special School led by Sam Mason continued throughout the year with online sessions successfully beamed into pupil's homes and into Linwood's classrooms despite the technical challenges!

In the midst of a global pandemic Coda continues to highlight the benefits of music as a solution to peoples health and wellbeing needs and is grateful to all those that supported and participated in our services during this time of crisis.

#### Organisation

Coda is a membership organisation with a Board of Trustees responsible for governance of the Charity. The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. Members of the organisation appoint new Trustees. New Trustees are given an introduction to the Charity and provided with information to enable them to undertake their role.

#### The Trustees (who are also Directors for the purposes of the Companies Act)

The Trustees who served the charity during the period were as follows:

Tim Clark (Chair)

Ken Dearsley

Tod Lodge (Resigned 20 July 2020)

Annie Jeffrey

Emma Bovey (appointed 20 July 2020)

#### Administration and Management

Coda operates with a small but efficient administrative and management team headed by the Chief Executive Officer (CEO) Phil Hallett, Centre Administrators Deborah Saunders and Amie McAndrew, and Marketing and Promotions Officer Marina Tucker. Deborah Saunders resigned her post in June 2020 and the charity is grateful for her commitment and hard work in recent years. Coda works closely with Noisy Space Design and, in 2021 began a creative partnership with Todd Clark Creative.



## **Coda Music Trust Ltd**

### **Trustees' Report (including Directors' Report)**

#### Professional Staff

Coda employs a team of up to 20 part-time music teaching staff and freelance music leaders for outreach projects. All staff undergo enhanced DBS checks. The majority of staff are on PAYE fixed term contracts complying with the Inland Revenue IR35 Regulations and Employment Legislation. Coda is committed to equality and accessibility and its Safeguarding Policy, Health and Safety Policy and Equal Opportunities Policy for both staff and users are central to its work. Professional development opportunities and training are offered to staff throughout the year using online courses from iHasco and a range of other providers.

#### Coda Volunteers

Coda could not manage without the vital support of volunteers who help with a range of diverse tasks through the year. Particular mention should be made of the volunteer music assistants, especially Julie, Shavanti, Jan, Linn, Kieran, Sandie, Sue, Margaret, and Lucy. Also John, who provides support in the office and on maintenance tasks around our site; and our gardeners Jan and Rachel. Thanks also for IT support from Megan and David.

#### Fundraising

Coda Music Trust is extremely grateful to those charitable trusts and other partners for their interest in the work of the Trust and for their invaluable support. In particular, we are grateful to all those that have supported the continued capital development projects at Coda and to Bournemouth Rotary Club and The John Thornton Young Achievers Foundation for their continued support for the Coda Fiddle Orchestra.

The Trust also receives support for our work through grants, contracts and commissions from our immediate local authorities including New Milton Town Council, New Forest District Council, Hampshire County Council, Bournemouth Borough Council and Dorset County Council.

Local businesses and individuals in the community have generously supported Coda with donations, materials or equipment this year and we particularly wish to thank New Milton Sand & Ballast for their help and support maintaining the Coda driveway.

In June 2020 the Trust was awarded funds by Arts Council England under its Emergency Grants programme in response to the Coronavirus pandemic and this essential support enabled us to diversify and devise new projects and to keep key staff employed at a time when other forms of income fell to zero. Throughout the summer of 2020 we were buoyed by the reaction of staff and our local community who supported the charity through a range of fundraising initiatives, from facebook gigs and quizzes to crowdfunding campaigns. Without the support of hundreds of individuals we may not have survived the crisis.

Finally, Coda has benefitted from national grant schemes during the pandemic, including the Coronavirus Job Retention Scheme which enabled staff to be furloughed rather than made redundant, and a range of Small Business Support Grants distributed by BCP which have also been essential to our survival.

## **Coda Music Trust Ltd**

### **Trustees' Report (including Directors' Report)**

#### Capital development projects

Coda has been based on the Dorset/Hampshire border on the old farm buildings of the Chewton Glen estate since 1995. The farm site was purchased by the Trust in 2005 and over the past decade it has undergone a number of development phases and conversions. The Trust is now exploring further opportunities to convert its remaining disused buildings and this continued development aims to support and respond to local economic and neighbourhood development plans including the Christchurch urban expansion plan, the Highcliffe and Walkford Neighbourhood plan and New Milton's Neighbourhood Plan.

#### Reserves

The financial activities of the charity are closely monitored by the management and Trustees and a monthly cashflow review and forecast, together with quarterly management accounts and an annual review ensure that income and expenditure are carefully monitored. Despite the continuing difficulties faced by smaller charities and SME's in the current, uncertain economic climate, the Trustees see a healthy future in the short and medium term.

The Trustees have resolved to commit as much of the charity's resources as possible to bringing music to all, whilst retaining very modest reserves to meet day-to-day administrative costs as they fall due.

#### Risk

The Trustees have conducted their own review of the major risks (including Covid 19 risks) to which the charity is exposed and systems have been established to manage those risks.

#### Going concern

The Trustees have reviewed the cash flow forecasts for the forthcoming year and they consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

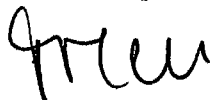
#### Coronavirus Note

At the time of writing this report the UK is still under restrictions to prevent the spread of the Covid-19 virus. This is having a significant financial effect on Coda Music Trust as it is with most companies and charities. The management and Trustees are working with customers, staff, bankers and government agencies with the aim to look after staff and customers whilst striving to ensure that the charity continues to run as a going concern.

#### Small company provision

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the Trustees of the Charity on 20 May 2021 and signed on its behalf by:



.....  
Mr T M Clark  
Chair of Trustees

## **Coda Music Trust Ltd**

### **Statement of Trustees' Responsibilities**

The Trustees (who are also the Directors of Coda Music Trust Ltd for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Approved by the Trustees of the Charity on 20 May 2021 and signed on its behalf by:



.....  
Mr T M Clark  
Chair of Trustees

## Coda Music Trust Ltd

### Independent Examiner's Report to the trustees of Coda Music Trust Ltd

I report to the Charity Trustees on my examination of the accounts of the Charity for the year ended 31 August 2020 which are set out on pages 11 to 27.

#### Respective responsibilities of Trustees and examiner

As the Charity's Trustees of Coda Music Trust Ltd (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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


#### Independent examiner's statement

Since Coda Music Trust Ltd'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 , 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:

1. accounting records were not kept in respect of Coda Music Trust Ltd 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 methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (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.

  
Peter Clegg BSc (Hons) FCA CTA

Westlake Clark Audit LLP  
Chartered Accountants  
7 Lynwood Court  
Priestlands Place  
Lymington  
Hampshire  
SO41 9GA

20 May 2021

# Coda Music Trust Ltd

## Statement of Financial Activities for the Year Ended 31 August 2020 (Including Income and Expenditure Account)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
<b>Income and Endowments from:</b>				
Donations and legacies	2	87,520	44,583	132,103
Charitable activities	3	175,595	-	175,595
Investments	4	186	-	186
Total Income		<u>263,301</u>	<u>44,583</u>	<u>307,884</u>
<b>Expenditure on:</b>				
Charitable activities	5	<u>(229,156)</u>	<u>(60,808)</u>	<u>(289,964)</u>
Total Expenditure		<u>(229,156)</u>	<u>(60,808)</u>	<u>(289,964)</u>
Net income/(expenditure)		<u>34,145</u>	<u>(16,225)</u>	<u>17,920</u>
Net movement in funds		34,145	(16,225)	17,920
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>349,883</u>	<u>20,255</u>	<u>370,138</u>
Total funds carried forward	16	<u>384,028</u>	<u>4,030</u>	<u>388,058</u>
	Note	Unrestricted funds £	Restricted funds £	Total 2019 £
<b>Income and Endowments from:</b>				
Donations and legacies	2	64,508	91,459	155,967
Charitable activities	3	247,829	3,000	250,829
Investment income	4	279	-	279
Total income		<u>312,616</u>	<u>94,459</u>	<u>407,075</u>
<b>Expenditure on:</b>				
Charitable activities	5	<u>(251,097)</u>	<u>(95,200)</u>	<u>(346,297)</u>
Total expenditure		<u>(251,097)</u>	<u>(95,200)</u>	<u>(346,297)</u>
Net income/(expenditure)		<u>61,519</u>	<u>(741)</u>	<u>60,778</u>
Net movement in funds		61,519	(741)	60,778
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>288,364</u>	<u>20,996</u>	<u>309,360</u>
Total funds carried forward	16	<u>349,883</u>	<u>20,255</u>	<u>370,138</u>

All of the Charity's activities derive from continuing operations during the above two periods.

The funds breakdown for both periods is shown in note 16.

**Coda Music Trust Ltd**  
**(Registration number: 03487093)**  
**Balance Sheet as at 31 August 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	12	480,598	483,497
<b>Current assets</b>			
Debtors	13	527	527
Cash at bank and in hand		52,686	62,590
		53,213	63,117
<b>Creditors: Amounts falling due within one year</b>	14	(18,823)	(45,233)
<b>Net current assets</b>		34,390	17,884
<b>Total assets less current liabilities</b>		514,988	501,381
<b>Creditors: Amounts falling due after more than one year</b>	15	(126,930)	(131,243)
<b>Net assets</b>		388,058	370,138
<b>Funds of the Charity:</b>			
<b>Restricted income funds</b>			
Restricted funds	16	4,030	20,255
<b>Unrestricted income funds</b>			
Unrestricted funds		384,028	349,883
<b>Total funds</b>	16	388,058	370,138

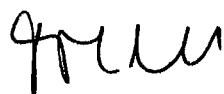
For the financial year ending 31 August 2020 the Charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

**Directors' responsibilities:**

- The members have not required the Charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 11 to 27 were approved by the Trustees, and authorised for issue on 20 May 2021 and signed on their behalf by:



.....  
Mr T M Clark  
Chair of Trustees

## **Coda Music Trust Ltd**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### **1 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

##### **General information and basis of preparation**

Coda Music Trust Ltd is a charitable company limited by guarantee incorporated in England. 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 address of the registered office is given in the Charity Information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are given in the Trustees Report on pages 2 to 6.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £1.

##### **Going concern**

The Trustees have prepared these accounts on a going concern basis, notwithstanding the uncertainties caused by the UK wide lockdown to prevent the spread of the Covid-19 virus.

##### **Exemption from preparing a cash flow statement**

The Charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### **Income and endowments**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

##### **Donations and legacies**

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

## **Coda Music Trust Ltd**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### ***Grants receivable***

Grants are recognised when the Charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### ***Investment income***

Investment income including interest and grazing are recognised as soon as they are received.

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### **Governance costs**

These include the costs attributable to the Charity's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees's meetings and reimbursed expenses.

#### **Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

#### **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 Chapter 3 Part 11 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.

#### **Tangible fixed assets**

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.



## **Coda Music Trust Ltd**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold Property	Nil
Improvements to Freehold Property	2% straight line basis
Fixtures & Fittings	10% straight line basis
Equipment and Instruments	10% / 25% straight line basis
Software Library	Fully depreciated in year of purchase

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

## **Coda Music Trust Ltd**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### **Foreign exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the Trustees's discretion in furtherance of the objectives of the Charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

#### **Financial instruments**

##### ***Classification***

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

## **Coda Music Trust Ltd**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### ***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### ***Investments***

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

#### ***Derivative financial instruments***

The Charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

#### ***Fair value measurement***

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

# Coda Music Trust Ltd

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 2 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	General £	£	£	£
Donations and legacies;				
Donations	32,071	(4,308)	27,763	99,141
Gift aid reclaimed	-	-	-	17
Grants, including capital grants;				
Public sector	55,449	48,891	104,340	56,809
	<u>87,520</u>	<u>44,583</u>	<u>132,103</u>	<u>155,967</u>

### 3 Income from charitable activities

	Unrestricted funds	Total 2020	Total 2019
	General £	£	£
Music Tuition and Learning	156,385	156,385	228,439
Music for Health and Well Being	19,210	19,210	22,390
	<u>175,595</u>	<u>175,595</u>	<u>250,829</u>

### 4 Investment income

	Unrestricted funds	Total 2020	Total 2019
	General £	£	£
Grazing income	<u>186</u>	<u>186</u>	<u>279</u>

## **Coda Music Trust Ltd**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### **5 Expenditure on charitable activities**

	<b>Activity undertaken directly £</b>	<b>Activity support costs £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Music Tuition and Learning	145,814	111,499	257,313	301,897
Music for Health and Well Being	<u>18,793</u>	<u>13,858</u>	<u>32,651</u>	<u>44,400</u>
	<u><u>164,607</u></u>	<u><u>125,357</u></u>	<u><u>289,964</u></u>	<u><u>346,297</u></u>

£229,156 (2019 - £251,097) of the above expenditure was attributable to unrestricted funds and £60,808 (2019 - £95,200) to restricted funds.

# Coda Music Trust Ltd

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 6 Analysis of governance and support costs

#### Support costs allocated to charitable activities

	Governance costs £	Finance costs £	Information technology £	Staff costs £	Administration costs £	Premises costs including depreciation £	Other support costs £	Total 2020 £	Total 2019 £
Music Tuition and Learning	2,377	3,823	1,737	74,647	11,468	16,654	793	111,499	131,238
Music for Health and Well Being	594	956	434	4,765	2,866	4,164	79	13,858	18,557
	<u>2,971</u>	<u>4,779</u>	<u>2,171</u>	<u>79,412</u>	<u>14,334</u>	<u>20,818</u>	<u>872</u>	<u>125,357</u>	<u>149,795</u>

Staff costs have been allocated on the basis of time spent on each of the charitable activities in the year. This year being 94% on Music Tuition and Learning and 6% on Music for Health and Well Being. The remaining support costs have been allocated on a percentage basis representing the usage of the property.

#### Governance costs

	Unrestricted funds	Total 2020 £	Total 2019 £
Independent examiner fees			
Examination of the financial statements	2,971	2,971	2,508
	<u>2,971</u>	<u>2,971</u>	<u>2,508</u>

## Coda Music Trust Ltd

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 7 Net incoming/outgoing resources

Net incoming resources for the year include:

	2020 £	2019 £
Independent examiner fees	2,971	2,508
Depreciation of fixed assets	3,794	3,617
Finance charges payable	<u>4,779</u>	<u>6,072</u>

#### 8 Trustees remuneration and expenses

During the year, no Trustees, nor any persons connected with them, have received any remuneration from the Charity. No Trustees have received any reimbursed expenses or any other benefits from the Charity during the year.

#### 9 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
<b>Staff costs during the year were:</b>		
Wages and salaries	193,085	198,992
Social security costs	4,758	4,369
Pension costs	<u>2,088</u>	<u>1,662</u>
	<u>199,931</u>	<u>205,023</u>

The monthly average number of persons (including senior management team) employed by the Charity during the year expressed as full time equivalents was as follows:

	2020 No	2019 No
Therapy/tuition staff	6	6
Administrative	<u>3</u>	<u>3</u>
	<u>9</u>	<u>9</u>

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the Charity were £47,204 (2019 - £46,407).

The chief executive officer, as the highest paid member of staff, received benefits totalling £47,204 (2019 - £46,407).

# Coda Music Trust Ltd

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 10 Independent examiner's remuneration

	2020 £	2019 £
Examination of the financial statements	<u>2,971</u>	<u>2,508</u>

### 11 Taxation

The Charity is a registered charity and is therefore exempt from taxation.

### 12 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Computer equipment £	Instruments £	Total £
<b>Cost</b>					
At 1 September 2019	501,884	10,168	37,876	14,251	564,179
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>895</u>	<u>895</u>
At 31 August 2020	<u>501,884</u>	<u>10,168</u>	<u>37,876</u>	<u>15,146</u>	<u>565,074</u>
<b>Depreciation</b>					
At 1 September 2019	20,450	10,168	35,813	14,251	80,682
Charge for the year	<u>3,177</u>	<u>-</u>	<u>271</u>	<u>346</u>	<u>3,794</u>
At 31 August 2020	<u>23,627</u>	<u>10,168</u>	<u>36,084</u>	<u>14,597</u>	<u>84,476</u>
<b>Net book value</b>					
At 31 August 2020	<u>478,257</u>	<u>-</u>	<u>1,792</u>	<u>549</u>	<u>480,598</u>
At 31 August 2019	<u>481,434</u>	<u>-</u>	<u>2,063</u>	<u>-</u>	<u>483,497</u>

### 13 Debtors

	2020 £	2019 £
Other debtors	<u>527</u>	<u>527</u>



## **Coda Music Trust Ltd**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	11,015	26,099
Trade creditors	3,763	15,899
Other taxation and social security	1,112	669
Other creditors	318	15
Pension scheme creditor	515	151
Accruals	2,100	2,400
	<u>18,823</u>	<u>45,233</u>

Creditors due within one year includes the following liabilities, on which security has been given by the Charity:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank overdraft	1,541	11,464
Loan	3,434	4,664
Mortgage	6,040	9,971
	<u>11,015</u>	<u>26,099</u>

Freehold property owned by the Charity has been used as security.

## Coda Music Trust Ltd

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 15 Creditors: amounts falling due after one year

	2020 £	2019 £
Bank loans	<u>126,930</u>	<u>131,243</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the Charity:

	2020 £	2019 £
Loan	14,216	16,421
Mortgage	<u>112,714</u>	<u>114,822</u>
	<u>126,930</u>	<u>131,243</u>

Freehold property owned by the Charity has been used as security.

Included in the creditors are the following amounts due after more than five years:

	2020 £	2019 £
After more than five years by instalments	<u>66,259</u>	<u>74,939</u>

#### Bank loans and overdrafts after five years

The bank loan term remaining is 5 years at an interest rate of 3.09% above base rate. The commercial mortgage term remaining is 12 years at an interest rate of 2% above base rate.

# Coda Music Trust Ltd

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 16 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>				
<i>General</i>				
Unrestricted Income Fund	349,883	263,301	(229,156)	384,028
<b>Restricted funds</b>				
Fiddle Orchestra	(5,443)	12,219	(9,533)	(2,757)
Other Learning and Engagement	2,920	-	(1,974)	946
ACE Catalyst Evolve	18,681	13,316	(31,997)	-
Premises fund	(773)	2,153	(1,380)	-
Folio Consortium	4,870	3,395	(8,545)	(280)
ACE Emergency	-	13,500	(7,379)	6,121
<b>Total restricted funds</b>	<u>20,255</u>	<u>44,583</u>	<u>(60,808)</u>	<u>4,030</u>
<b>Total funds</b>	<u>370,138</u>	<u>307,884</u>	<u>(289,964)</u>	<u>388,058</u>
	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>				
<i>General</i>				
Unrestricted Income Fund	288,364	312,616	(251,097)	349,883
<b>Restricted funds</b>				
Fiddle Orchestra	1,966	5,150	(12,559)	(5,443)
Other Learning and Engagement	9,950	-	(7,030)	2,920
ACE Catalyst Evolve	9,080	52,754	(43,153)	18,681
Premises fund	-	6,000	(6,773)	(773)
Folio Consortium	-	30,555	(25,685)	4,870
<b>Total restricted funds</b>	<u>20,996</u>	<u>94,459</u>	<u>(95,200)</u>	<u>20,255</u>
<b>Total funds</b>	<u>309,360</u>	<u>407,075</u>	<u>(346,297)</u>	<u>370,138</u>

## **Coda Music Trust Ltd**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

The specific purposes for which the funds are to be applied are as follows:

#### **Fiddle Orchestra**

The Coda Fiddle Orchestra is a significant Coda Music Trust Community Outreach Project working with children and young people aged 5 to 16 from a deprived area of Bournemouth (West Boscombe). It offers children and young people with very little access to high quality music tuition and ensemble work the opportunity to learn to play the fiddle/violin and to participate in a range of groups and ensembles in the community where they live. The project is supported through a range of grants and donations including Children In Need, Comic Relief, Bournemouth Rotary Clubs and The John Thornton Young Achievers Foundation with further fundraising ongoing from year to year to meet costs.

#### **Other Learning and Engagement Project**

An award from the National Lottery will enable Coda to increase the range of music activities we offer for people with learning disabilities and specifically to respond to demand from younger adults, by providing new activities for young people transitioning from school or college (those aged 16-25). It will also enable us to build on the relationships we have with local people by engaging more learning disabled people to be included in the development and delivery of our work.

#### **Ace Catalyst Evolve**

This 3 year project will be realised across consecutive accounting periods. It aims to support Coda to sustain and expand specific areas of our work in the face of reduced public subsidy and competition for funds from private trusts and foundations by increasing philanthropic giving to the charity. The grant from the Arts Council includes £30,000 to support organisational development and up to £75,000 in partnership funds to match new income from donations.

The full project budget, reflected in the restricted note, incorporates income from a number of sources and expenditure on a wide range of activities, services and organisational developments.

#### **Premises fund**

The Talbot Village Trust awarded a grant of £6000 toward essential improvements to Coda's site and facilities. While the charity has a number of large scale pressing issues with regards disused buildings and accessibility to some areas, the need for immediate repairs and refurbishment to the most in demand rooms and to improve access to the site in general has been repeatedly identified as a priority by staff and users.

There were two aspects to the project: Refurbishment and sound proofing of our oldest spaces including, among other things: The replacement of dilapidated wooden windows with double glazed windows; and the replacement of worn laminate flooring and carpeting in our workshop room, studio and lobby area. The second element of the project addressed the urgent need to improve safe access and general visibility of Coda Music Centre by installing new signage at our entrance and enhanced lighting along the driveway to reduce risk to visitors.

#### **Folio Consortium**

Folio is a new consortium for arts and culture in the New Forest. It brings together a number of existing arts and heritage organisations to provide a fresh approach for people across the region to engage in our work. The consortium is diverse and its membership ranges from museums and galleries to music and theatre companies. The New Forest is an area with low arts engagement and Folio was created to redress this. As a lead partner in the consortium Coda led an application to Arts Council England for its strategic development and secured partnership funding from The New Forest National Park Authority and New Forest District Council. Coda's Chief Executive managed the fund on behalf of the group. The project is due to complete in 2020.

#### **ACE Emergency**

Coda was awarded a grant of £15000 as part of Arts Council England the HM Govts emergency response package to the pandemic. The funds are supporting key staff, core costs and new innovative programmes.

# Coda Music Trust Ltd

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 17 Analysis of net assets between funds

	Unrestricted funds		Total funds at 31 August 2020
	General	Restricted funds	
	£	£	£
Tangible fixed assets	480,598	-	480,598
Current assets	49,183	4,030	53,213
Current liabilities	(18,823)	-	(18,823)
Creditors over 1 year	(126,930)	-	(126,930)
Total net assets	384,028	4,030	388,058

	Unrestricted funds		Total funds at 31 August 2019
	General	Restricted funds	
	£	£	£
Tangible fixed assets	483,497	-	483,497
Current assets	42,862	20,255	63,117
Current liabilities	(45,233)	-	(45,233)
Creditors over 1 year	(131,243)	-	(131,243)
Total net assets	349,883	20,255	370,138