

Charity Registration No. 1085708

Company Registration No. 02796427 (England and Wales)

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

LEGAL AND ADMINISTRATIVE INFORMATION

| | | |
|--|---|--------------------|
| Trustees & board of directors | V Hargreaves | Chairman |
| | S Belinfante | Vice Chairman |
| | F Jones | Treasurer |
| | G G Shankar | |
| | T Taylor | |
| | D Kenny | |
| | J Webster | |
| | G Greenwell | |
| | J Aviss | Appointed 10/01/22 |
| | I Mean | Appointed 23/05/22 |
| Secretary | A Veazey | |
| Charity number | 1085708 | |
| Company number | 02796427 | |
| Registered office | Barbican House 31 Barbican Road Gloucester GL1 2JF | |
| Independent examiner | Griffiths Marshall Beaumont House 172 Southgate Street Gloucester GL1 2EZ | |
| Advisors | D Aviss | President |
| | K Winnan | Executive Director |
| | C Lumsden | Founder |
| | G Oxley | Artistic Director |
| Senior staff members | K Winnan | Executive Director |
| | G Oxley | Artistic Director |

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

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GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their annual report and financial statements for the year ended 31 August 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document:

Gloucestershire Academy of Music (GAM) is a charitable company limited by guarantee, governed by its memorandum of association adopted on 20 February 1993.

Trustee selection methods:

Trustees are appointed by the members of the company either to fill a casual vacancy or as an addition to the Board of Trustees, provided the prescribed maximum of 10 Trustees is not exceeded. The Trustees in their capacity as members of the company and directors actively and regularly review the composition of the board and the skills represented on it.

Organisational structure:

The Charity operates under a governing Board of Directors consisting of the Trustees, the Artistic Director and Executive Director as well as specialist advisors, such as the President, also attend Board meetings which are held (on average) every other month.

The day-to-day management of the Charity is delegated to the Executive Director and the Artistic Director.

The GAM Board has reshaped its working practices this year with the formation of new subcommittees: Operations and Estates have been added to the existing Finance and Bursary Committees.

The GAM Board has also seen changes during the past year with Bursary Committee chair Janet Hall stepping down in the Spring, along with lawyer Tony Veazey, who is continuing in his capacity as Company Secretary. Tony has been instrumental in drawing up a new constitution for GAM's Board which was approved by the Charity Commission in the summer.

New trustees, who joined during the summer, were lawyer Gill Greenwell, educationalist Jen Aviss and media/business expert Ian Mean.

The GAM staff team has seen turnover post pandemic with a newly-created role of Operations Director being taken on by Sue Bains, former registrar at Sir Thomas Rich's Grammar School, Karin Lythell is now acting Schools Manager in place of Rob Jones who has had to step down for health reasons. GAM has appointed a new Finance Officer.

Chairman of the Finance Committee Jim Webster and Treasurer Flavia Jones have both been instrumental in helping the team continue to function during these staff changes.

Trustee induction and training:

Trustee induction and training has been carried out this year with the appointment of a new trustee.

A Disclosure and Barring Service check is completed for Trustees in accordance with Government and/or Charity Commission guidelines for charities working with children and/or vulnerable adults. Trustees are also asked to undergo certificated safeguarding training.

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Related parties:

GAM is a partner in the Gloucestershire Music Education Hub (branded as Make Music Gloucestershire), which distributes funding from Arts Council England and is GAM's primary investor. Other investors in 2021/2022 were The Architectural Heritage Fund, the CHK Foundation, the PF Charitable Trust, the Graham Kirkham Foundation, the LG Harris Trust, the MacFarlane Walker Trust, the Botris Karloff Charitable Trust, the Coln Trust and the Radcliffe Trust.

GAM is grateful for its partnership with Cheltenham's Dean Close School which accommodates GAM's Saturday afternoon activities and this year hosted more than 150 young musicians at The Big String and The Big Blast workshops. Dean Close has supported GAM's Inspire project, as well as hosting the Gloucestershire Young Musician of the Year contest in the past. During the summer, Malvern College worked with GAM to host this year's popular adult Early Music Course, a residential week attended by 70 participants in August.

Risk management:

Risk management assessments have been at the forefront of GAM's activities particularly with the onset of the pandemic and its effect on the organisational and financial aspects of the academy. The Trustees assess risk on a rolling basis as part of an organisational development programme.

The programme of work is set out in a business plan which ensures that the proposed level of activity is within GAM's financial and human resource capabilities. The plan is approved by the Trustees before implementation and projects or programmes are not initiated unless adequately funded.

All personnel, including trustees and volunteers, who are in regular contact with children or vulnerable adults are required to undergo an enhanced Disclosure and Barring Service check (where the role is in line with DBS regulations) and to undertake safeguarding training.

OBJECTIVES AND ACTIVITIES

Objects of the charity:

GAM exists to advance public education by the promotion of the study, practice, knowledge and appreciation of the art or science of music and other performing arts.

GAM's activities were guided by its mission statement for the year, which is to:

- Play a key role, with partners, in ensuring all children and young people in Gloucestershire have access to the proven benefits of music.
- Provide access, development and progression opportunities for children, young people and adults; leading the way in classical music education through working with schools, training music teachers and providing top quality tuition using our holistic, proven teaching approaches.
- Work with partners to build and sustain Barbican Arts as an exciting and inclusive performing arts centre that opens up opportunities, enriches lives, sparks new collaborations, develops talent and inspires through engagement with professional artists.

GLoucestershire Academy of Music Ltd

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Public benefit:

In planning GAM's activities for the year, the Trustees kept in mind the Charity Commission's guidance on public benefit.

A strong focus was placed on maintaining an online presence during Covid lockdowns to ensure there was minimum disruption to our provision and that students and staff could access our activities safely.

The main activities undertaken for public benefit during 2021/22 were:

- a programme of organisational development driven by the aims of improving efficiency, maximising impact and reach through partnership and extending reach and diversifying the range of student beneficiaries
- to plan for an exciting future for Barbican House, GAM's headquarters, to maintain and develop its engagement with a broad cross-section of communities
- whole class, small group and 1-1 tuition in schools, making music accessible to a broader range of children and young people
- sustaining a diverse and attractive programme of group sessions and courses, as well as individual tuition, at GAM's centres in Gloucester and Cheltenham
- development of an inclusion and community engagement programme underpinned by a focus on extending the benefits of music to minority communities under-represented in the sector.
- running a bursary fund to bring down financial barriers to engagement in GAM's services. A fast-track version of our bursary scheme was set up soon after lockdown to assist participants from families facing economic challenges due to the pandemic. This fund has helped nearly 30 students in the past year and continues to do so.

ACHIEVEMENTS AND PERFORMANCE

GAM's 40th Anniversary Year has been a pivotal one in planning a new and sustainable future for the academy. And despite major changes, GAM can boast more students enrolling in 2021-22 than pre-pandemic and a trading profit surplus.

Barbican House purchase proposal

GAM's key objective of purchasing Barbican House is well under way, with £433,624 raised thanks to capital fundraiser Jacqueline Kingsley. There is £66,375 left to raise. How this is addressed is being actively explored by trustee Gill Greenwell through leasehold options with our landlords Gloucester City Council. It also provides food for thought on how we engineer best outcomes for GAM going forward - particularly in terms of brokering partnerships that will benefit our purpose mission-wise and financially.

Expanding reach

Artistic Director Glyn Oxley has devised a plan through which to diversify GAM's programmes, services and community reach, including plans to appoint a community engagement lead.

GAM's reach has been growing year on year. The Big String and its new sister event The Big Blast attracted in excess of 150 students from the county and beyond involved in music making activities. Another outreach success involved Cheltenham Festival in July when GAM provided its Inspire Orchestra to play at the first event of its kind involving special schools from across the county and the summer holidays saw 60 adults attending a residential Early Music Course at Malvern College plus three holiday courses for young musicians of varying abilities.

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

During the year 2021-22:

Although working with whole classes in schools has made a very slow recovery and has not yet returned to pre-pandemic levels, GAM has seen a large expansion of school-based individual teaching. The number of pupils receiving weekly instrumental and vocal lessons in schools has almost tripled this academic year. As well as benefiting schools and their pupils, this means that we are offering work to increasing numbers of freelance musicians.

As well as our annual Big String and Big Blast programmes, we were pleased to collaborate with Gloucestershire Boys' Choir and The Three Choirs Festival in our staging of Gloria! Forty Years of GAM in Tewkesbury Abbey in July.

In addition to this during our anniversary year, GAM organised a scratch orchestra day, bringing together 60 GAM alumni to enjoy playing together once again. Having made renewed contact with each other and with GAM, we have discovered the benefits of re-engaging a resourceful and well-connected group of people who are keen to support GAM's continued development.

Also in the pipeline are several high-profile celebratory events including:

- A soiree for GAM donors and prospective donors at Barbican House by President Professor Derek Aiviss and his wife Jen, also featuring two of Derek's cello students from Trinity Laban.
- A Celebration Concert led by founder Caroline Lumsden at Cheltenham's Pittville Pump Room.
- Nethra Association of Performing Arts spectacle of Indian dancing and singing at Barbican House.
- GAM's Big Birthday Bash at Cheltenham Town Hall involving more than 200 GAM students performing with a star of musical theatre.

We are delighted that the Adult Early Music course has found a new home for its residential week in Malvern College. Not only is this a perfect venue for this popular course, but the college is the former employer of our founder, Alan Lumsden and our late and much missed colleague, woodwind specialist Wes Duggan. We were very pleased that some of our students were able to perform at Wes's Memorial Concert this year.

The statistics for 2021-2022

Over the course of the 21-22 academic year we achieved the following:

- Worked with 1,823 participants aged 3-18
- Worked with 130 adults
- Reached participants from 93 schools, 6 of which are outside Gloucestershire
- Arranged or took part in 21 public performances
- Delivered music activities to 29 schools from all parts of Gloucestershire
- Contracted music leaders to deliver lessons, workshops, courses and masterclasses
- Assisted 20 participants through our bursary scheme

Development of Barbican House

The board and GAM team have worked hard to maximise use of Barbican House, welcoming users who share GAM's vision for inclusive and high-quality performing arts provision. The Flowers Band are based in Barbican House and will be working with GAM in the future to develop their youth offer and have already enhanced GAM's brass programme. The Nethra Academy of Performing Arts have brought diversity to our activities. Jackie Shewell-Thomas runs her dance classes after school here and there have been successful projects involving her dancers and GAM musicians. Gloucestershire Boys' Choir and ABRSM examinations all take place at Barbican House. We also house the Cheltenham Trust's Gamelan, which is used for workshops by schools, adults and holiday courses.

Hire income from these additional users helps us to meet our building maintenance and overhead costs but also creates a unique arts educational hub in the county.

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

FINANCIAL REVIEW

Reserves policy:

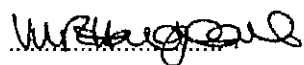
It is the Trustees' policy to maintain sufficient funds to satisfy both the current programme of work as well as providing a base reserve of unrestricted funds.

These funds may be used to cover a funding shortfall in a project, either to its planned conclusion or to bridge a gap in its targeted funding. In addition, there is a contingency fund available for unforeseen organisational obligations and future salary commitments.

Details of any funds materially in deficit:

No funds were in deficit.

The trustees' report was approved by the Board of Trustees.



Full Name: VIVIENNE MANUELITA RAE HARGREAVES

Position: CHAIR

Date: 28.01.2023

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees, who are also the directors of Gloucestershire Academy of Music Ltd for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 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 charity 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

I report to the trustees on my examination of the financial statements of Gloucestershire Academy of Music Ltd (the charity) for the year ended 31 August 2022.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements 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 the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity'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 ICAEW, 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 charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements 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 financial statements to be reached.



Stephen Humphries FCA
Griffiths Marshall
Beaumont House
172 Southgate Street
Gloucester
GL1 2EZ

Dated: 22 January 2023

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

| | Notes | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total 2022 £ | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total 2021 £ |
|---|-------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <u>Income and endowments from:</u> | | | | | | | |
| Donations and legacies | 3 | 2,114 | 234,672 | 236,786 | 19,289 | 85,270 | 104,559 |
| Charitable activities | 4 | 272,765 | - | 272,765 | 213,508 | - | 213,508 |
| Investments | 5 | 854 | - | 854 | 818 | - | 818 |
| Other income | 6 | 14,518 | - | 14,518 | 7,354 | - | 7,354 |
| Total Income | | 290,251 | 234,672 | 524,923 | 240,969 | 85,270 | 326,239 |
| <u>Expenditure on:</u> | | | | | | | |
| Charitable activities | 7 | 284,456 | 124,991 | 409,447 | 229,894 | 112,862 | 342,756 |
| Net Incoming/(outgoing) resources before transfers | | 5,795 | 109,681 | 115,476 | 11,075 | (27,592) | (16,517) |
| Gross transfers between funds | | (80,570) | 80,570 | - | (19,430) | 19,430 | - |
| Net (expenditure)/income for the year/ Net movement in funds | | (74,775) | 190,251 | 115,476 | (8,355) | (8,162) | (16,517) |
| Fund balances at 1 September 2021 | | 136,235 | 17,379 | 153,614 | 144,590 | 25,541 | 170,131 |
| Fund balances at 31 August 2022 | | 61,460 | 207,630 | 269,090 | 136,235 | 17,379 | 153,614 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

BALANCE SHEET

AS AT 31 AUGUST 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---|-------|-----------|---------|-----------|---------|
| Fixed assets | | | | | |
| Tangible assets | 11 | | 16,666 | | 19,130 |
| Current assets | | | | | |
| Stocks | 12 | - | | 465 | |
| Debtors | 13 | 4,628 | | 7,187 | |
| Cash at bank and in hand | | 281,970 | | 146,655 | |
| | | 286,598 | | 154,307 | |
| Creditors: amounts falling due within one year | 14 | (34,174) | | (19,823) | |
| Net current assets | | | 252,424 | | 134,484 |
| Total assets less current liabilities | | | 269,090 | | 153,614 |
| Income funds | | | | | |
| Restricted funds | 15 | | 207,630 | | 17,379 |
| <u>Unrestricted funds</u> | | | | | |
| Designated funds | 16 | - | | 100,000 | |
| General unrestricted funds | | 61,460 | | 36,235 | |
| | | | 61,460 | | 136,235 |
| | | | 269,090 | | 153,614 |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2022.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 27th January 2023

.....
J Webster
Trustee

Company Registration No. 02796427

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Charity Information

Gloucestershire Academy of Music Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is Barbican House, 31 Barbican Road, Gloucester, GL1 2JF.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income has been met, it is probable that the income will be received and that the amount can be measured reliably.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advanced of the provision of a specified service is deferred until the criteria for income recognition are met.

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use of the charity of the item is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity 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.

Income from government and other grants, whether "capital" grants or "revenue" grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Cost of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of term-time courses, holiday courses, Schools Music Agency, bursaries and Barbican project undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

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

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provision for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Support costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

| | |
|---------------------------|-----|
| • Term-time courses & Hub | 73% |
| • Holiday courses | 19% |
| • School Music Agency | 8% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1.6 Intangible fixed assets other than goodwill

Intangible assets are included at cost or fair value on acquisition and then amortised over the life of the asset.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|---------------------------|----------------------|
| Instruments and equipment | 15% reducing balance |
| Piano | 15% reducing balance |
| Computer equipment | 15% reducing balance |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.10 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. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Taxation

The charitable company is exempt from corporation tax as all of its income is charitable and is applied for charitable purposes.

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Employees are enrolled in the NEST auto enrolment scheme, which is a defined contribution scheme. Contributions are recognised as they become payable.

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2 Critical accounting estimates and judgements

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

3 Donations and legacies

| | Unrestricted funds | Restricted funds | Total | Unrestricted funds | Restricted funds | Total |
|--|-----------------------|---------------------|----------------|-----------------------|---------------------|----------------|
| | 2022 £ | 2022 £ | 2022 £ | 2021 £ | 2021 £ | 2021 £ |
| Donations and gifts | 1,964 | 80,703 | 82,667 | 289 | 1,108 | 1,397 |
| Grants | 150 | 153,969 | 154,119 | 19,000 | 84,162 | 103,162 |
| | <u>2,114</u> | <u>234,672</u> | <u>236,786</u> | <u>19,289</u> | <u>85,270</u> | <u>104,559</u> |
| Grants receivable for core activities | | | | | | |
| Arts Council England | - | 60,398 | 60,398 | - | 67,233 | 67,233 |
| Gloucestershire Community Foundation | - | - | - | 2,500 | 2,000 | 4,500 |
| Architectural Heritage Trust | - | 35,071 | 35,071 | - | 14,929 | 14,929 |
| Garfield Weston Foundation | - | - | - | 15,000 | - | 15,000 |
| Honourable Company | - | - | - | 1,000 | - | 1,000 |
| Langtree Trust | - | - | - | 500 | - | 500 |
| CHK Foundation | - | 20,000 | 20,000 | - | - | - |
| PF Charitable Trust | - | 10,000 | 10,000 | - | - | - |
| Graham Kirkham Foundation | - | 10,000 | 10,000 | - | - | - |
| L G Harris Trust | - | 10,000 | 10,000 | - | - | - |
| Macfarlane Walker Trust | - | 2,000 | 2,000 | - | - | - |
| Boris Karloff Charitable Trust | - | 1,500 | 1,500 | - | - | - |
| Coln Trust | - | 2,000 | 2,000 | - | - | - |
| Radcliffe Trust | - | 3,000 | 3,000 | - | - | - |
| The Concertina Charitable Trust | 150 | - | - | - | - | - |
| | <u>150</u> | <u>153,969</u> | <u>154,119</u> | <u>19,000</u> | <u>84,162</u> | <u>103,162</u> |

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2022**

4 Income from charitable activities

| | Term-time courses 2022 | Holiday courses 2022 | Schools Music Agency 2022 | Total 2022 | Term-time courses 2021 | Holiday Schools courses 2021 | Schools Music Agency 2021 | Total 2021 |
|------------------------|------------------------------|----------------------------|---------------------------------|----------------|------------------------------|------------------------------------|---------------------------------|----------------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Individual lesson fees | 91,603 | - | 42,333 | 133,936 | 90,436 | - | 19,278 | 109,714 |
| Group lessons | 64,465 | - | 570 | 65,035 | 47,446 | - | 75 | 47,521 |
| Exam fees | 4,586 | - | - | 4,586 | 5,829 | - | - | 5,829 |
| Fees from participants | - | 50,257 | - | 50,257 | - | 45,641 | - | 45,641 |
| Shared lesson fees | - | - | 11,425 | 11,425 | - | - | 1,888 | 1,888 |
| Other income | 5,566 | - | 1,960 | 7,526 | 2,915 | - | - | 2,915 |
| | <u>166,220</u> | <u>50,257</u> | <u>56,288</u> | <u>272,765</u> | <u>146,626</u> | <u>45,641</u> | <u>21,241</u> | <u>213,508</u> |

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

5 Investments

| | Unrestricted funds | Unrestricted funds |
|---------------------|-----------------------|-----------------------|
| | 2022 | 2021 |
| | £ | £ |
| Interest receivable | 854 | 818 |
| | <u>854</u> | <u>818</u> |

6 Other income

| | Unrestricted funds | Unrestricted funds |
|--------------|-----------------------|-----------------------|
| | 2022 | 2021 |
| | £ | £ |
| Other income | 14,518 | 7,354 |
| | <u>14,518</u> | <u>7,354</u> |

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

7 Charitable activities

| | Term-time courses | Holiday courses | School Music Agency | Bursaries | Barbican Project | Total 2022 | Total 2021 |
|--|----------------------|--------------------|---------------------------|-----------|---------------------|---------------|---------------|
| | 2022 £ | 2022 £ | 2022 £ | 2022 £ | 2022 £ | £ | £ |
| Freelance costs | 112,053 | 8,641 | 43,114 | - | - | 163,808 | 132,560 |
| Holiday courses costs | - | 25,775 | - | - | - | 25,775 | 17,543 |
| Examination costs | 2,687 | - | - | - | - | 2,687 | 4,541 |
| Instruments and music | 6,402 | - | - | - | 83 | 6,485 | 7,705 |
| Prizes / Bursaries awarded | 362 | - | - | 8,031 | 36 | 8,429 | 5,773 |
| Property costs including utilities | 3,425 | - | - | - | 51,981 | 55,406 | 34,894 |
| Office and administration costs | 6,296 | 170 | - | - | 532 | 6,998 | 2,544 |
| Miscellaneous costs | 2,331 | - | 40 | - | 1,284 | 3,655 | 1,016 |
| | 133,556 | 34,586 | 43,154 | 8,031 | 53,916 | 273,243 | 206,576 |
| Share of support costs (see note 8) | 98,115 | 25,537 | 10,752 | - | - | 134,404 | 134,920 |
| Share of governance costs (see note 8) | 1,314 | 342 | 144 | - | - | 1,800 | 1,260 |
| | 232,985 | 60,465 | 54,050 | 8,031 | 53,916 | 409,447 | 342,756 |
| Analysis by fund | | | | | | | |
| Unrestricted funds | 169,941 | 60,465 | 54,050 | - | - | 284,456 | 229,894 |
| Restricted funds | 63,044 | - | - | 8,031 | 53,916 | 124,991 | 112,862 |
| | 232,985 | 60,465 | 54,050 | 8,031 | 53,916 | 409,447 | 342,756 |

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2022**

| 7 Charitable activities | | (Continued) | | | | | |
|--|---------|-------------------|-----------------|---------------------|-----------|------------------|------------|
| For the year ended 31 August 2021 | | | | | | | |
| | | Term-time courses | Holiday courses | School Music Agency | Bursaries | Barbican Project | Total 2021 |
| | £ | £ | £ | £ | £ | £ | £ |
| Freelance costs | 105,273 | 10,635 | 16,652 | - | - | - | 132,560 |
| Holiday courses costs | - | 17,543 | - | - | - | - | 17,543 |
| Examination costs | 4,541 | - | - | - | - | - | 4,541 |
| Instruments and music | 7,565 | 120 | 20 | - | - | - | 7,705 |
| Prizes / Bursaries awarded | 550 | - | - | 5,223 | - | - | 5,773 |
| Property costs including utilities | 484 | - | - | - | - | 34,410 | 34,894 |
| Office and administration costs | 1,949 | 264 | 32 | - | - | 299 | 2,544 |
| Miscellaneous costs | 1,004 | 12 | - | - | - | - | 1,016 |
| | 121,366 | 28,574 | 16,704 | 5,223 | - | 34,709 | 206,576 |
| Share of support costs (see note 8) | 98,492 | 25,634 | 10,794 | - | - | - | 134,920 |
| Share of governance costs (see note 8) | 932 | 239 | 89 | - | - | - | 1,260 |
| | 220,790 | 54,447 | 27,587 | 5,223 | - | 34,709 | 342,756 |
| Analysis by fund | | | | | | | |
| Unrestricted funds | 147,860 | 54,447 | 27,587 | - | - | - | 229,894 |
| Restricted funds | 72,930 | - | - | 5,223 | - | 34,709 | 112,862 |
| | 220,790 | 54,447 | 27,587 | 5,223 | - | 34,709 | 342,756 |

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8 Support costs

| | Support costs £ | Governance costs £ | 2022 £ | Support costs £ | Governance costs £ | 2021 £ |
|--|--------------------|-----------------------|----------------|--------------------|-----------------------|----------------|
| Staff costs | 113,752 | - | 113,752 | 109,575 | - | 109,575 |
| Property costs including utilities | 13,258 | - | 13,258 | 12,013 | - | 12,013 |
| Office and administration costs | 4,233 | - | 4,233 | 9,872 | - | 9,872 |
| Depreciation and amortisation | 3,068 | - | 3,068 | 3,376 | - | 3,376 |
| Bank charges and bad debts | 93 | - | 93 | 84 | - | 84 |
| Independent examiner fee | - | 1,800 | 1,800 | - | 1,260 | 1,260 |
| | <u>134,404</u> | <u>1,800</u> | <u>136,204</u> | <u>134,920</u> | <u>1,260</u> | <u>136,180</u> |
| Analysed between Charitable activities | <u>134,404</u> | <u>1,800</u> | <u>136,204</u> | <u>134,920</u> | <u>1,260</u> | <u>136,180</u> |

9 Trustees

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

10 Employees

The average monthly number of employees during the year was:

| | 2022 Number | 2021 Number |
|--------------------|----------------|----------------|
| | <u>9</u> | <u>8</u> |
| Employment costs | 2022 £ | 2021 £ |
| Wages and salaries | <u>113,752</u> | <u>109,575</u> |

The key management personnel for Gloucestershire Academy of Music Limited are the trustees, the Artistic Director and the Executive Director. The trustees receive no remuneration. The total employees benefits including pension contributions of the key management personnel were £64,116 (2021: £60,551).

There were no employees whose annual remuneration was more than £60,000.

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

11 Tangible fixed assets

| | Instruments and equipment £ | Piano £ | Computer equipment £ | Total £ |
|------------------------------------|-----------------------------------|------------|----------------------------|------------|
| Cost | | | | |
| At 1 September 2021 | 14,298 | 23,685 | 4,796 | 42,779 |
| Additions | - | - | 604 | 604 |
| At 31 August 2022 | 14,298 | 23,685 | 5,400 | 43,383 |
| Depreciation and impairment | | | | |
| At 1 September 2021 | 11,607 | 11,322 | 719 | 23,648 |
| Depreciation charged in the year | 404 | 1,855 | 810 | 3,069 |
| At 31 August 2022 | 12,011 | 13,177 | 1,529 | 26,717 |
| Carrying amount | | | | |
| At 31 August 2022 | 2,287 | 10,508 | 3,871 | 16,666 |
| At 31 August 2021 | 2,690 | 12,363 | 4,077 | 19,130 |

All of the above assets are used for charitable purposes.

12 Stocks

| | 2022 £ | 2021 £ |
|--------------------------------------|-----------|-----------|
| Stock of music books and merchandise | - | 465 |

13 Debtors

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 848 | 4,132 |
| Prepayments and accrued income | 3,780 | 3,055 |
| | 4,628 | 7,187 |

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

14 Creditors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------------|---------------|---------------|
| Other taxation and social security | 2,606 | 3,097 |
| Payments received on account | 7,199 | 6,845 |
| Trade creditors | 22,813 | 8,069 |
| Accruals and deferred income | 1,556 | 1,812 |
| | <u>34,174</u> | <u>19,823</u> |

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Movement in funds | | | | |
|----------------------------|--|----------------------------|----------------------------|----------------|--------------------------------------|
| | Balance at 1 September 2021 £ | Incoming resources £ | Resources expended £ | Transfers £ | Balance at 31 August 2022 £ |
| Bursary fund | 10,534 | 5,086 | (8,031) | - | 7,589 |
| Arts Council England | 6,845 | 60,398 | (60,044) | - | 7,199 |
| Barbican Project | - | 166,188 | (53,916) | 80,570 | 192,842 |
| Composition for Big String | - | 3,000 | (3,000) | - | - |
| | <u>17,379</u> | <u>234,672</u> | <u>(124,991)</u> | <u>80,570</u> | <u>207,630</u> |

Purpose of restricted funds

Bursary fund - to make awards to individuals and families of existing and prospective students attending term-time activities and holiday courses.

Arts Council England - this is funding for training and courses in Gloucestershire.

Barbican Project - to engage professionals and undertake research to produce a project viability report on the purchase of Barbican House.

Composition for Big String - to commission a new composition for the Big String event.

GLOUCESTERSHIRE ACADEMY OF MUSIC LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

| | Balance at 1 September 2021 £ | Transfers £ | Balance at 31 August 2022 £ |
|------------------|--|------------------|--------------------------------------|
| Development fund | 100,000 | (100,000) | - |
| | <u>100,000</u> | <u>(100,000)</u> | <u>-</u> |

The charity received a legacy in 2015 which the Trustees chose to designate in support of the future development of the charity. With the fundraising programme to purchase Barbican House approaching the target set for it, the Trustees have elected to move this balance into restricted funds, specifically the Barbican Project fund.

17 Analysis of net assets between funds

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total 2022 £ | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total 2021 £ |
|---|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Fund balances at 31 August 2022 are represented by: | | | | | | |
| Tangible assets | 16,666 | - | 16,666 | 19,130 | - | 19,130 |
| Current assets/ (liabilities) | <u>44,794</u> | <u>207,630</u> | <u>252,424</u> | <u>117,105</u> | <u>17,379</u> | <u>134,484</u> |
| | <u>61,460</u> | <u>207,630</u> | <u>269,090</u> | <u>136,235</u> | <u>17,379</u> | <u>153,614</u> |

18 Related party transactions

During the year, the aggregate amount of donations received from related parties amounted to £5,847, £5,187 of which is restricted to the Barbican Project (2021: £3,685 with £55 being restricted to the Bursary fund).

19 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.