

Charity registration number 1099385

Company registration number 04793062 (England and Wales)

LOST CHORD UK

FORMERLY LOST CHORD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

LOST CHORD UK

FORMERLY LOST CHORD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs K J Bottomley	(Appointed 12 May 2022)
	Mr B W Frith	
	Ms S Glennon	(Appointed 10 February 2022)
	Mr E A Holmes	(Appointed 30 November 2021)
	Dr M Venables	
	Mr M E Procter	(Appointed 30 November 2021)
	Ms D Stone	(Appointed 21 September 2022)
Charity number	1099385	
Company number	04793062	
Registered office	The Wesley Centre Blyth Road Maltby Rotherham S66 8JD	
Auditor	Knowles Warwick Audit Services Limited Charlotte House 500 Charlotte Road Sheffield S2 4ER	
Bankers	Natwest Wickersley (A) Branch Bawtry Road Wickersley S66 1JY	

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**LOST CHORD UK
FORMERLY LOST CHORD
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2022**

The Trustees who are also Directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The Trustees have adopted the provisions of 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).

Objectives and activities

The objective of the charitable company is to improve the well-being and self-esteem of persons living with dementia by the organisation and playing of interactive musical concerts.

The Trustees confirm that they have complied with the duty under Section 4 of the Charities Act 2006 by referring to the charity commission's general guidance on public benefit when reviewing the aim and objectives of the charity and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

LOST CHORD UK FORMERLY LOST CHORD TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance

Once again 2021/22 was a year like no other for Lost Chord with Corona Virus continuing to impact on our ability to perform in person at residential homes or to engage in fund raising events.

Donations and grant applications reduced from £150,177 to £106,129. Donations and legacies decreased marginally from £101,351 to £101,149 but would have been considerably lower without being notified of the legacy that will be due from the Jenny Gregorian Estate. This should become available at some point in fiscal year 2022-23. This legacy is reflected in the accounts as 'legacies receivable £75,000'. It should be noted that this is the anticipated amount we will receive from the sale of the property and other assets as deduced by the accountants from correspondence with the solicitor of the estate. The house is yet to be sold and this amount is by no means guaranteed to be received given the current economic climate. The Trustees are extremely grateful to receive such a significant legacy.

Grant income is down this period due to a complete review of the Lost Chord operation. As a result of the pandemic fundraising events ceased and hence there has been little income generation from this source, neither has there been the associated expenditures. There are plans in place to resume fund raising events and grant applications in 2022/23.

Lost Chord emerges from the year in a very strong financial position to be able to return to provide support where it is needed most and also with a diversified portfolio of sessions and the prospect of a completely revised Memorandum and Articles of Association.

Clare Langan was appointed CEO on 7th October 2021 with Helena Muller, the former CEO becoming Founder and Director of Music and subsequently taking redundancy and becoming Founder and Ambassador. The Trustees thank Mrs Muller for her significant contribution to the charity since its inception; her passion for the charity to reach as many people with dementia has been unstinting.

We continue to live through unprecedented times. Once again residential care homes have had to go into total lockdown meaning that for yet another year, Lost Chord has had to cease its normal activity. It is now recognised that we will never return to our old modus operandi and the charity must be completely re-visioned in order to survive in the post-pandemic world.

From December 2021, as a result of constant cancellations and finally the government decision to instigate Plan B on 8th December 2021, we decided to cease in person operations and took our interactive music sessions online in some homes. We then moved to individual bedside 1-2-1 singalong sessions via tablet/ipad/laptop. These proved very successful indeed with dramatic results in every session that have improved the wellbeing not only of the residents who have taken part, but also the carers. With Covid set to be part of all our lives these sessions will enable us to still perform if a care home goes into lockdown and enable us to reach the most vulnerable who live in bed. It also means that our musicians will still be able to use their gifts and be remunerated for their work in these very challenging economic times. Not all care homes have the digital infrastructure to allow these sessions but where they are possible they make a huge difference.

With the absence of in person sessions the decision was made to review the whole office operation which was digitised with every area being reviewed and updated ready for the 'new normal' post-pandemic world.

With the lifting of Plan B on 27th January we continued to ensure all our musicians performing in residential homes were double and subsequently triple vaccinated and taking daily lateral flow tests along with other precautions outlined in our Covid Protocol in line with Government guidelines for Care Homes.

Accounts were moved from Sage to Xero with Lost Chord putting to tender for new accountants in March 2021.

A complete review and rewriting of the Memorandum and Articles of Association was started to future proof the charity. The charity is fortunate and very proud to have a group of talented, compassionate and professional musicians eager to provide a range of musical sessions alongside our dedicated volunteers and supportive Patrons. Ms Langan, CEO, working with the Trustees, see 2022/23 as an excellent and exciting opportunity to restart the charity with a refreshed vision and values statement and will work incredibly hard to ensure the charity goes from strength to strength.

Our vision is to be the 'go-to' outreach session provider for care homes, day centres and memory cafés and to also run our own community events. To have sessions running in every county in England and be operational in Wales, Northern Ireland and Scotland.

LOST CHORD UK FORMERLY LOST CHORD TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Financial review

The accounts for the year to 31st March 2022 show a loss of £7,489 in comparison with year ending 31st March 2021 which showed a profit of £92,196. However Lost Chord UK is still in a strong position to support the work of the charity into 2022/23 and beyond with fund balances at 31st March 2022 standing at £397,179.

Surplus funds are currently invested on a basis that is considered to be minimal free.

Reserves policy

The Charity Commission for England and Wales requires charities to have a policy on the level of reserves held by the charity. This is to ensure that charities spend money on the purposes for which the charity was set up rather than simply accumulating cash. The policy of Lost Chord is to ensure that should funding materially deteriorate, for whatever reason, then it would have time to consider alternative funding options and, in the worst scenario, be able to manage the closure of its operations and obligations in an orderly fashion, both of which combined would take in the order of six months. Such obligations would include staging concerts already committed to, terminating its contractual commitments and the payment of salaries. In ordinary times, Lost Chord aimed to maintain reserves of at least six months but no more than nine months of annualised operating expenditure but due to the pandemic this has not been possible.

Funding has traditionally been applied for on a three-year basis which could mean that funds received in year one may not be used until year three so that the charity can periodically accumulate significant funds. However, the grants that are received in advance are treated as deferred income to be utilised for the payment of future expenses.

Plans for future periods

The charity plans to continue the activities outlined above for the forthcoming years, subject to satisfactory funding and donations and intends to implement a detailed strategic plan.

In addition, since 2020 it has become evident that Lost Chord must diversify and evolve in order to survive in the highly competitive market. We must also respond to the rapidly increasing numbers of dementia diagnoses which sees people living with the disease in community. This sector of the community and their carers desperately need support and will benefit from our intended community interactive music sessions and community singalong sessions.

As a charity we must embrace new technology and use it for the benefit of residents who because they live in bed would never have been able to attend our in-person sessions. We aim to expand our Bedside 1-2-1 sessions in the future.

All the above innovations and additions to our portfolio of sessions will be within the scope of our new governing document.

Structure, governance and management

The Charity is a company limited by guarantee and was incorporated on 10 June 2003. The Memorandum of Association established the objects and powers of the charity and it is governed under its Articles of Association. The Charity was registered as a charity on 11 September 2003. Prior to 10 June 2003 Lost Chord was a project run under the auspices of Voluntary Action Rotherham and has been delivering services since 1999.

The Trustees, who are also directors and members of the charity, are recruited by networking and are selected following a skills need analysis by the Trustees. Any appointment of a Trustee is made by a resolution of the board of Trustees and is formally minuted.

The Trustees retain overall responsibility for the charity's strategies and policies and delegate the operational management to the chief executive. The Trustees continue to review corporate governance including contracts, employment policies and management practices to ensure continued compliance.

The charity works independently though seeks to fulfil its objects by working collaboratively with other organisations such as Making Space performing concerts in their day centres in South Yorkshire. Lost Chord is a member of the National Dementia Action Alliance working alongside member groups such as Age UK, Alzheimer's Society and Dementia UK.

LOST CHORD UK FORMERLY LOST CHORD TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Risk Management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

As a matter of best practice, the directors are conscious of the need to consider risk management. The charity has initiated standard accounting systems to mitigate financial risk, whilst holding regular meetings involving strategic planning and review to mitigate risk generally.

Trustees

Mrs K J Bottomley	(Appointed 12 May 2022)
Mr B W Frith	
Ms S Glennon	(Appointed 10 February 2022)
Mr E A Holmes	(Appointed 30 November 2021)
Dr M Venables	
Mr M E Procter	(Appointed 30 November 2021)
C J MacCormac	(Resigned 30 November 2021)
E Skelton	(Resigned 19 October 2021)
E F Lye	(Resigned 18 August 2021)
J C Revill	(Resigned 19 November 2021)
Ms D Stone	(Appointed 21 September 2022)
Mr A Patil	(Appointed 30 November 2021 and resigned 5 January 2022)

Auditor

Knowles Warwick Audit Services Limited were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

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

Mr B W Frith

Chair of Trustees

22 December 2022

**LOST CHORD UK
FORMERLY LOST CHORD
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022**

The trustees, who are also the directors of Lost Chord UK 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.

LOST CHORD UK FORMERLY LOST CHORD INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LOST CHORD UK

Opinion

We have audited the financial statements of Lost Chord UK (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

LOST CHORD UK FORMERLY LOST CHORD INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF LOST CHORD UK

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Steven Knowles (Senior Statutory Auditor)
for and on behalf of Knowles Warwick Audit Services Limited

23 December 2022

Chartered Accountants
Statutory Auditor

Charlotte House
500 Charlotte Road
Sheffield
S2 4ER

**LOST CHORD UK
FORMERLY LOST CHORD
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022**

		Unrestricted funds 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes				
<u>Income from:</u>					
Donations and legacies	2	116,129	111,351	38,826	150,177
Charitable activities	3	11,130	935	-	935
Investments	4	129	310	-	310
Total income		127,388	112,596	38,826	151,422
<u>Expenditure on:</u>					
Raising funds	5	7,504	1,950	-	1,950
Charitable activities	6	112,395	56,166	-	56,166
Other	10	-	1,110	-	1,110
Total expenditure		119,899	59,226	-	59,226
Net income for the year/ Net movement in funds		7,489	53,370	38,826	92,196
Fund balances at 1 April 2021		389,690	297,494	-	297,494
Fund balances at 31 March 2022		397,179	350,864	38,826	389,690

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

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

The notes on pages 10 to 17 form part of these financial statements.

**LOST CHORD UK
FORMERLY LOST CHORD
BALANCE SHEET
AS AT 31 MARCH 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		606		1,224
Current assets					
Debtors	12	77,150		1,510	
Cash at bank and in hand		326,632		404,720	
		<u>403,782</u>		<u>406,230</u>	
Creditors: amounts falling due within one year	13	<u>(7,209)</u>		<u>(17,764)</u>	
Net current assets			396,573		388,466
Total assets less current liabilities			<u>397,179</u>		<u>389,690</u>
Income funds					
Restricted funds			-		38,826
Unrestricted funds			397,179		350,864
			<u>397,179</u>		<u>389,690</u>

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 March 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

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.

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 22 December 2022

Mr B W Frith
Trustee

Company registration number 04793062

LOST CHORD UK FORMERLY LOST CHORD NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Lost Chord UK is a private company limited by guarantee incorporated in England and Wales. The registered office is The Wesley Centre, Blyth Road, Maltby, Rotherham, S66 8JD.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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.

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 is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

**LOST CHORD UK
FORMERLY LOST CHORD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

1 Accounting policies

(Continued)

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 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:

Computers	33% straight line method
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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.

1.7 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).

1.8 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.

1.9 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.

**LOST CHORD UK
FORMERLY LOST CHORD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

1 Accounting policies

(Continued)

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.

1.10 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.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Donations and legacies

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2022	2021	2021	2021
	£	£	£	£
Donations and gifts	36,149	101,351	-	101,351
Legacies receivable	75,000	-	-	-
Grants	4,980	10,000	38,826	48,826
	<u>116,129</u>	<u>111,351</u>	<u>38,826</u>	<u>150,177</u>
Grants receivable for core activities				
May & Stanley Smith Charitable Trust	-	-	21,349	21,349
Newby Trust	-	-	7,500	7,500
National Lottery	4,500	-	9,977	9,977
Government Grants	-	10,000	-	10,000
Maltby and Hellaby Parish Councils	480	-	-	-
	<u>4,980</u>	<u>10,000</u>	<u>38,826</u>	<u>48,826</u>

LOST CHORD UK
FORMERLY LOST CHORD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

3 Charitable activities

	2022	2021
	£	£
Interactive musical concerts	11,130	935
	<u> </u>	<u> </u>

4 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	129	310
	<u> </u>	<u> </u>

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
<u>Fundraising and publicity</u>		
Advertising	7,504	1,950
	<u> </u>	<u> </u>
	<u>7,504</u>	<u>1,950</u>

LOST CHORD UK
FORMERLY LOST CHORD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

6 Charitable activities

	2022	2021
	£	£
Staff costs	53,631	29,227
Depreciation and impairment	618	584
Interactive musical concerts	27,610	4,291
Rent and rates	6,227	6,227
Insurance	1,339	1,265
Legal and professional	1,515	-
Telephone	565	8,567
Travel	5,072	-
Printing and stationery	715	-
Hire of equipment	5,578	-
Computer running costs	2,166	-
Bank charges	1,444	-
Sundry expenses	971	260
	<u>107,451</u>	<u>50,421</u>
Share of governance costs (see note 7)	4,944	5,745
	<u>112,395</u>	<u>56,166</u>

7 Support costs

	Support costs	Governance costs	2022	2021
	£	£	£	£
Audit fees	-	3,920	3,920	3,495
Legal and professional	-	1,024	1,024	2,250
	<u>-</u>	<u>4,944</u>	<u>4,944</u>	<u>5,745</u>
Analysed between				
Charitable activities	<u>-</u>	<u>4,944</u>	<u>4,944</u>	<u>5,745</u>

8 Trustees

Two of the trustees received a total of £675 during the year for non-trustee related services.

LOST CHORD UK
FORMERLY LOST CHORD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

9 Employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
Chief executive	1	1
Musical director	1	1
	<hr/>	<hr/>
Total	2	2
	<hr/> <hr/>	<hr/> <hr/>

Employment costs

	2022	2021
	£	£
Wages and salaries	52,369	25,529
Other pension costs	1,262	3,698
	<hr/>	<hr/>
	53,631	29,227
	<hr/> <hr/>	<hr/> <hr/>

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

10 Other

	Total	Unrestricted funds
	£	
	2022	2021
Other expenditure	-	1,110
	<hr/>	<hr/>
	-	1,110
	<hr/> <hr/>	<hr/> <hr/>

LOST CHORD UK
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

11 Tangible fixed assets

	Computers £
Cost	
At 1 April 2021	4,384
At 31 March 2022	4,384
Depreciation and impairment	
At 1 April 2021	3,160
Depreciation charged in the year	618
At 31 March 2022	3,778
Carrying amount	
At 31 March 2022	606
At 31 March 2021	1,224

12 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	1,410	1,081
Other debtors	75,114	-
Prepayments and accrued income	626	429
	77,150	1,510

13 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Other taxation and social security		-	216
Deferred income	14	-	10,000
Trade creditors		1,277	4,566
Other creditors		256	-
Accruals and deferred income		5,676	2,982
		7,209	17,764

14 Deferred income

	2022 £	2021 £
Other deferred income	-	10,000

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

14 Deferred income

(Continued)

Deferred income is included in the financial statements as follows:

	2022	2021
	£	£
Deferred income is included within:		
Current liabilities	-	10,000
	<u> </u>	<u> </u>
Movements in the year:		
Deferred income at 1 April 2021	10,000	-
Released from previous periods	(10,000)	-
Resources deferred in the year	-	10,000
	<u> </u>	<u> </u>
Deferred income at 31 March 2022	-	10,000
	<u> </u>	<u> </u>

15 Analysis of net assets between funds

	Unrestricted funds 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:				
Tangible assets	606	1,224	-	1,224
Current assets/(liabilities)	396,573	388,466	-	388,466
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	397,179	389,690	-	389,690
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

16 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).