

**BRISTOL MUSIC TRUST**

**TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

Company Number: 07531978

Charity Number: 1140898

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## **CHAIR'S REPORT**

This year has been one of major disruption to our business due to the COVID-19 pandemic. We closed the majority of the activities and our buildings following the announcement of the first lockdown on 23 March 2020, and all staff were asked to work from home. We then took advantage of the government's Covid Job Retention Scheme by furloughing most staff from April 2020. This left around 15 staff to close activities down, and monitor communications and finances through to July. After this we took advantage of the flexible furlough arrangements to enable some staff to work one or two days a week where necessary through to the year end in March 2021.

In terms of activity, we held a number of Bristol Takeover Festival events online in May and June as well as live streaming the anniversary concert of Elgar's Lark Ascending from Shirehampton village hall in September. This was a new way for us to present our work and was successful in reaching much larger numbers of audience than we would normally for a concert. We were ready to return to live performance in November 2020 but the second lockdown meant further cancellations. We are pleased to have been able to finally start some socially distanced events and concerts from May 2021.

We were also able to move some of our music teaching online with a Virtual Music Academy offering throughout the period that schools were closed. This proved popular with many students and parents and we are continuing streamed activities into schools as well now that they have returned.

Commercial work slowed to a trickle during the year with the Beacon remaining open for monthly blood donation sessions and our staff being contracted out to the Bristol City Council testing centre in central Bristol.

We have been able to weather the storm of 2020/21 by taking advantage of all the government support schemes available to us, as well as all our staff taking a significant 20% pay-cut for 6 months of the year and 4% for 3 further months. This has left our core business in a position at the end of the financial year which will support us through 2021/22, when there is no further government support available, and our activity and commercial business is likely to take some time to rebuild. We have also made an unrestricted surplus in our creative learning and engagement activities due to reduced activity and cutting overheads, which we plan to reinvest in this area in the next two years.

Perhaps one of the most important events of the year was the announcement of our new name, Bristol Beacon, in September 2020. This was met with general approval and support and is now being followed up by the development of our whole visual identity which will be launched later in 2021.

The refurbishment of Bristol Beacon continues to progress despite COVID-19. The challenges of discovery items such as wells and crumbling masonry continue as well as restricted working caused by COVID-19 safety measures. This has led to an increased budget and a later than originally planned re-opening now scheduled for Autumn 2023. We have worked with Bristol City Council to attract further funding from Arts Council England and West of England Combined Authority together with additional funding agreed by Bristol City Council in March 2021 to cover the gap. Our successful capital fundraising campaign for the project has continued and has now achieved over 95% of target to date.

We are grateful for the support of Bristol City Council, Arts Council England, National Lottery Heritage Fund, West of England Combined Authority, HM Treasury and of course the many individuals, organisations and trusts and foundations who have given so generously to support our education work, music promotions and capital campaign.

We are facing the future in a positive fashion as we rebuild to normality in 2021/22 and for reopening in 2023/24. We are planning an exceptional program of events to celebrate all that is so wonderful about live music. None of this would be possible without the most remarkable team at Bristol Music Trust led by Louise Mitchell. It is their dedication and hard work that has brought to reality a vision first put forward some nine years ago when the Trust was established. Without each and every member of the Trust's staff none of this would be possible and we are even more grateful for their amazing support and dedication through all the disruption caused by COVID-19.

A handwritten signature in black ink, appearing to read 'S. Chapman', with a long, sweeping horizontal line extending to the right.

**Simon Chapman**  
**16 July 2021**

## TRUSTEES' ANNUAL REPORT

The Trustees present their report and the financial statements of Bristol Music Trust for the year ended 31 March 2021.

### REFERENCE AND ADMINISTRATIVE DETAILS

#### *Board of Trustees*

The Trustees of the charity (who are also the directors of the company) holding office during the financial year and as at 31 March 2021 are as follows:

<i>Trustees/Directors</i>	<i>Appointed/Reappointed</i>
Simon Chapman (Chair)	8 Oct 2019
Tony Cherry	8 Oct 2019
Pat Connor	8 Oct 2019
Craig Gentle	19 Oct 2019
Tanya Lacey	8 Oct 2019
Sandra Meadows OBE	8 Oct 2019
Sonia Mills	23 October 2017
Louise Mitchell	8 October 2019
Andrew Nisbet	5 March 2021
Timothy Westwell	3 Sept 2019
Cllr Craig Cheney*	8 Oct 2019

\*Nominated Trustee (Executive Member for Culture) appointed by Bristol City Council.

#### *Executive Team*

The executive team are responsible for the day-to-day management of the charity:

Louise Mitchell (Chief Executive)  
 Andy Boreham (Head of Marketing)  
 Phil Castang (Director of Creative Learning and Engagement)  
 Rosa Corbishley (Director of Development)  
 Nick Craney (General Manager)  
 Naomi Easy (Head of Commercial)  
 Clare Jack (Chief Operating Officer)  
 Siggie Patchett (Head of National Centre of Inclusive Excellence)  
 Sarah Robertson (Communications & Special Projects Director)  
 Sophie Whittaker (Financial Controller)  
 Todd Wills (Artistic Director)

*Audit, Risk & Resources Committee*

Tony Cherry (Chair)  
Simon Chapman  
Sonia Mills  
Craig Gentle  
Louise Mitchell

*Creative Learning and Engagement Committee*

Tony Cherry – (Chair)  
Louise Jennings  
Deshni Pyndiah  
Tanya Lacey  
Sandra Meadows  
Lloyd Coleman

*Bristol Beacon Capital Fundraising Group*

Sonia Mills (Chair)  
Rosalind Kennedy  
Andrew Nisbet  
Louise Mitchell

*Bristol Beacon Phase 2 Development Project – Strategic Advisory Group*

Charles Wilson (Chair)  
Sonia Mills  
Simon Chapman  
Louise Mitchell

*Principal address and registered office:* Bristol Beacon  
Trenchard Street  
Bristol  
BS1 5AR

*Registered charity number:* 1140898

*Company registration number:* 07531978

The Trustees have made the following professional appointments:

<i>Auditor:</i>	<i>Bankers:</i>
RSM UK Audit LLP	NatWest
Chartered Accountants	Bristol City Office
Hartwell House	PO Box 3232
55-61 Victoria Street	32 Corn Street
Bristol	Bristol
BS1 6AD	BS1 1HQ

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Status & History**

Bristol Music Trust was established to operate Bristol Beacon, to promote music and the arts, and to advance education and appreciation of music and the arts, for the benefit of the people of Bristol and the South West of England. The company was incorporated on 16 February 2011 and commenced its operations on 1 May 2011.

Bristol Music Trust is a charity registered in England & Wales (no. 1140898), and a non-profit-making company limited by guarantee registered in England & Wales (no. 07531978). A trading subsidiary BMT Enterprises Ltd was incorporated on 23 March 2011 as a company limited by shares (wholly owned by Bristol Music Trust) to manage associated commercial activities (and any activities that are “non-primary purpose trading”) for the benefit of the charity, and also commenced its operations on 1 May 2011. A cost sharing agreement is in place to ensure that the trading subsidiary pays Bristol Music Trust for its use of Bristol Beacon and other services. All profits of BMT Enterprises Ltd are gift-aided to Bristol Music Trust.

Bristol Music Trust has developed a distinctive and vibrant programme of music and events at Bristol Beacon, and creatively supports young people in Bristol and the South West, making music and music learning through its Creative Learning and Engagement (CLE) team. When Bristol City Council's (BCC) Cabinet made the decision to establish Bristol Music Trust as an independent body responsible for managing the Hall in 2011, BCC leased Bristol Beacon to Bristol Music Trust for a 25 year period at a peppercorn rent. The old lease will be replaced with a new 32-year lease from completion of the re-development. BCC financially supports the work of Bristol Music Trust to deliver its charitable objectives and entrusted services as defined in a Service Level Agreement. In addition, since April 2015, Bristol Music Trust has benefited from Arts Council England investment as a National Portfolio Organisation (in consortium with St George's Bristol) to support the artistic programme and audience development objectives.

On 1 September 2013, the Bristol Arts and Music Service (BAMS) was formally transferred from BCC to become an integral part of Bristol Music Trust as the Music Education Hub for the City of Bristol run by our CLE team. The aim is to deliver an exciting and coherent music educational programme that spans both formal and non-formal music education across the City. The team is based both at Bristol Beacon and at the music centre in Southmead, which is leased to Bristol Music Trust from BCC for a peppercorn rent. The vision of CLE is to work with strategic hub partners to make Bristol the UK Capital of Young People's Music and ensure that every young person has access to music learning activities and a platform for musical expression and participation.

The Concert Hall is at the beating heart of culture and music in Bristol. The building has been part of the Bristol skyline for 150 years and home to iconic performances by some of the world's leading artists, including The Beatles, Ella Fitzgerald, Bob Dylan, David Bowie and Yehudi Menuhin, leaving lasting memories that live on in people's minds. The first Hall opened to the public on 20 September 1867, but the main auditorium was destroyed by fire in 1898. A second reconfigured Hall opened on the site in 1901 and was bought from the Colston Hall Company in 1919 by Bristol Corporation for £65,000, and the building has been the property of Bristol City Council ever since. In 1935 the Hall was closed for remodelling with a third Hall opening in December 1936, but a further fire in 1945 robbed Bristol of its concert hall once more. The fourth incarnation of the Hall, which exists today, was opened in 1951 to mark the Festival of Britain. Funding constraints have meant that limited investment has been made in the building since then.

By around 2005, it was clear to BCC that the Hall needed substantial investment if it were to be viable as a 21st century concert and events hall. A project was therefore initiated to create a new foyer building and to refurbish the historic building. It was recognised that this project would require significant funding investment and so the decision was made to split the project into two phases. In 2007-2009, Phase 1 of this project was created by BCC investing £13m alongside £7m from Arts Council England, building a modern foyer containing restaurants, bars and administrative offices as an extension to the Hall. This was designed by architects Levitt Bernstein and built by main contractors Wilmott Dixon and opened to great acclaim in 2009. It was always recognised that there was a need for Phase 2 to completely refurbish the old building. In 2015-16 BCC and BMT invested in an extensive, joint investigation and feasibility study which resulted in four redevelopment options being presented

by Levitt Bernstein. The partnership was formalised in June 2016 when it was agreed that the project would be managed by BCC Major Projects Team under the supervision of a Project Board with representation from BMT and major funders. BMT would take the lead on fundraising to assemble the funding package to deliver it.

## **Bristol Beacon Redevelopment Phase 2**

The project to transform the Hall into a new and inspiring centre where all genres of music can flourish started with the closure of the auditoria in June 2018, the commencement of demolition works in October 2018 and the start of reconstruction June 2019. The capital campaign aims both to transform the Victorian building into an international-standard concert hall as well as to create a centre for music education and enterprise and enable Bristol to truly become the UK Capital for Young People's Music. The Hall will be a completely accessible major music venue for artists and audience alike.

It is a key strategic aim for the City to harness our cultural, historic, and artistic assets to bring social and economic benefit to the region and to underpin its reputation for creativity, live musical performance, and technological and business innovation. A thriving and dynamic concert hall and music centre is essential to ensure the future success not just of the music industry in the region but also has a fundamental part to play in the success of the creative industries of music, film, design, performance etc as a whole. The Hall's activity, together with our wide-reaching education work, makes Bristol Music Trust a very significant contributor to the regional economy, sense of place, and attractiveness as a visitor destination and place to live and invest. Our show audiences come from across the region (broadly 65% Bristol, 25% the South-West, 10% other UK destinations) and when fully open, will directly generate gross income of around £10 million in the first full year of operations.

There is a high degree of cross-party and cultural partnership support for this key South West project. The capital campaign has now raised over £102 million of the target of £107m, including £54 million committed from Bristol City Council, £5.18 million from HM Treasury, £16.2 million from the Arts Council England, £4.75 million from the National Lottery Heritage Fund, £11.8 million from WECA plus a number of generous individual donations from £25,000 to £1,000,000.

## **Organisational Structure**

The non-executive Board of Trustees (directors of the charity) has responsibility for the governance and administration of the charity. The Board meets five times a year and should be composed of no fewer than five Trustees and no more than twelve Trustees (or such other maximum number determined by the Board). The Articles of Association (dated 15 February 2011) provide for there to be up to two Trustees appointed by Bristol City Council out of a maximum of twelve, subject to the number of Council appointed Trustees always being below 20% of the Board, in order to ensure its independence as an organisation. The Chief Operating Officer, Communications & Special Projects Director and Director of Creative Learning and Engagement are invited to attend Board meetings, and there will be a quorum comprising a minimum of three (excluding Council nominated Trustees) Trustee members.

The Audit, Risk and Resources Committee is a sub-committee of the Board with responsibility for assisting the Board to discharge its duties in the following areas: financial and operational performance and procedures; audit and controls oversight; risk management and compliance; property transactions; annual plans and budgets; investments; and management of reserves. The membership of the Audit, Risk and Resources Committee comprises a minimum of three Trustee members, appointed by the Board of Trustees. The Committee includes the Chair of the Board and the Honorary Treasurer, and the Board appoints the Committee Chair. The Chief Executive, Chief Operating Officer and Head of Finance attend the Committee and a quorum comprises a minimum of two Trustee members. The Committee normally meets four times a year.

The Creative Learning and Engagement (CLE) Committee is a sub-committee of the Board with responsibility for oversight of the educational work of the organisation. Matters of responsibility include: the recommendation of education policy and delivery to the Board for approval; the recommendation of the CLE business plan to the Board for approval; monitoring and evaluation against key performance indicators and the music education hub core and extension roles; and monitoring of safeguarding and financial performance. The membership of this



Committee comprises a minimum of three Trustee members (including the Chair of the CLE Committee), appointed by the Board, and independent experts may be invited by the Chair of the CLE Committee with the approval of the Board. The Chief Executive and Director of Creative Learning & Engagement are invited to attend the Committee and a quorum comprises a minimum of two Trustee members. The Committee normally meets four times a year. One of the members of the Committee has specific responsibility for overseeing and reporting on safeguarding issues.

The Capital Fundraising Group is a sub-committee of the Board with responsibility for steering the overall capital fundraising for the Bristol Beacon transformation project including canvassing of political support (national and local government); applying for funds from Arts Council England, trusts and charitable bodies; corporates and corporate finance options; individuals, digital and public fundraising. The members of the Committee, including a minimum of two Trustee members shall be appointed and approved by the Board annually and shall be eligible for reappointment. The Chair of the Committee is appointed by the Board and the Committee may appoint other members with appropriate expertise who are not Trustees. The Chief Executive, Head of Development, and Chief Operating Officer are invited to attend the Committee and a quorum comprises a minimum of three members of which one must be a Trustee of the Board. The Committee will normally meet four times a year.

The project for the Bristol Beacon redevelopment Phase 2 is jointly led by Bristol Music Trust and Bristol City Council and the project is managed by the Bristol City Council Major Projects Team with Executive Director: Growth and Regeneration, Stephen Peacock as Senior Reporting Officer. The BMT Chief Executive represents Bristol Music Trust on the Project Board, with the support of an expert client representative, reporting to the BMT Board of Trustees. As part of the project governance structure, a client Strategic Advisory Group has been established as an expert advisory committee to the Trust, including external experts, trustees and major stakeholders Bristol City Council and Arts Council England. The group reviews project plans and status and advises the Trust on design development, construction, and fit-out of the transformation project to meet agreed client facility requirements. The group is chaired by a specialist advisor to BMT, Charles Wilson. The Chair of the Board of Trustees and the Chief Executive and Chief Operating Officer are invited to attend. The Committee will normally meet monthly prior to the meeting of the Project Board.

Responsibility for implementation of the Trust's strategy, and the organisation's day to day management is delegated by the Board to the Chief Executive and the executive senior management team. The Board selects and appoints the Chief Executive and may be involved in the appointment of other key members of the senior management team.

The Trustees are confident that the governance and management structures that have been established are appropriate to the needs of the organisation.

### **Method of Recruitment, Appointment, Election, Induction & Training of Trustees**

#### *Recruitment, Appointment & Election*

Each Trustee is asked to sign a Trustee's Undertaking upon appointment, confirming their willingness to accept the appointment, their understanding of the associated duties and responsibilities, and their willingness to become a member of the charity. The term of office for a Trustees is four years and he or she is eligible for re-election by the Board for one further term of four years. The Trustees serve as volunteers and receive no payment for their work for the charity, apart from the BMT Chief Executive who is also a Trustee.

#### *Induction & Training*

All of the Trustees are mindful of their duty to act solely in the interests of Bristol Music Trust and those Trustees who are members/officers of Bristol City Council understand their duty (under company law and charity law) to avoid conflicts of interest. The organisation's articles contain detailed provisions for declaring any interest a Trustees has and managing any conflicts arising from such interests. All of the Trustees are informed of their responsibilities and duties and are provided with appropriate guidance (including the Bristol Music Trust Handbook for charity Trustees) and information to carry these out effectively.

### **Pay Policy for Key Management Personnel**

As directors of Bristol Music Trust, the Board of Trustees consider the Trustees and the executive senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give of their time freely, and no Trustees received remuneration in the year, apart from the BMT Chief Executive. Details of Trustees' expenses and related party transactions are disclosed in notes 8 and 24 to the accounts, respectively.

The pay of the senior management team is reviewed annually and is normally increased in accordance with average earnings. In view of the nature of the charity, the Trustees benchmark against pay levels and specialisms in other comparable arts and charitable organisations of a similar size.

### **Approach to Fundraising**

Our approach to fundraising is to raise funds towards our running costs and capital appeal from private sources including from individuals through voluntary donations. We identify potential individual donors through ticket sales information and through individuals signing up to our regular weekly email update. We also seek funds from major local philanthropists via direct approaches often via our Trustees or other contacts. We obtain grants from trusts and foundations via written applications and corporate sponsorship through providing marketing benefits and outlining corporate social responsibility opportunities. During the year we continued a campaign aimed at the public for our capital project, principally directed at selling seats in the new auditorium.

All our fundraising activity conforms to the standards laid down by the Institute of Fundraising and the Fundraising Regulator, to which we are a signed-up member.

We adhere to the regulator's fundraising promise:

1. We will commit to high standards
2. We will be clear, honest, and open
3. We will be respectful
4. We will be fair and reasonable
5. We will be accountable and responsible.

We have a professional team of fundraisers on our staff and their activity is monitored by the Chief Executive and Chief Operating Officer. During the year we have not received any complaints about our fundraising activity. We do not use intrusive or persistent fundraising approaches.

### **Risk & Corporate Governance Matters**

The Trustees regularly monitor progress against the strategic objectives set out in the agreed business plan. The Audit, Risk and Resources Committee has responsibility to the Board for reviewing in more detail the risks to which the charity is exposed and the corresponding mitigations, and for ensuring an effective risk management strategy is in place. A document setting out the risks, consequences, counter measures and contingencies has been prepared by the executive team and is reviewed on a regular basis.

Principal risks and uncertainties identified for the organisation are as follows:

<b>Risk</b>	<b>Mitigation</b>
Failure to deliver Capital Transformation Project to time or within budget	<ul style="list-style-type: none"> <li>• Sound project governance structure involving Bristol Music Trust (BMT) and Bristol City Council (BCC)</li> <li>• Experienced advisors and contractors</li> <li>• Regular review of value management options</li> <li>• Legal agreement between BCC and contractor to mitigate the risk to BMT</li> </ul>

<p>Impact of COVID-19 operational restrictions</p> <p>Increased pressure on funds during the Capital Transformation Period with reduced capacity for earned income and potential for higher than budgeted costs.</p>	<ul style="list-style-type: none"> <li>• 20/21 full HMG CJRS grant support claimed for COVID-19 impact and staff salary cut of 20% for 6 months and 4% for 3 months to mitigate income lost</li> <li>• Major ACE CRF grant obtained for 2021/22 to support reserves and rebuilding of business as COVID-19 restrictions are eased</li> <li>• Financial and business modelling completed for the Capital Transformation Period with increased focus on commercial events and income generation through the Foyer</li> <li>• Additional support for project costs during extended closure obtained from project funds</li> <li>• Organisational structure planned and implemented with savings identified</li> <li>• Reduced programme throughout the period with reduced costs and careful management to increase the focus on income generating shows</li> </ul>
<p>Further development of reserves to support the business throughout the Capital Transformation Period and after re-opening and to provide the necessary strength and resilience in support of our aims and activities.</p>	<ul style="list-style-type: none"> <li>• Successful bid to ACE CRF includes reserve reflation of £300k</li> <li>• Appropriate governance and performance monitoring in place with a solid financial management record</li> <li>• Reserves policy set by the Board and review underway to establish policy for rebuild of reserves on opening</li> </ul>

## AIMS AND ACTIVITIES

### Charitable Aims

Launched in May 2011 the Bristol Music Trust is an independent charity with two distinct aims:

The first is to manage the operations of Bristol Beacon, Bristol's largest permanent concert venue, where people have been enjoying music since 1867, developing a diverse musical programme, leading a major capital refurbishment programme, and securing its commercial success. The new building presents a wonderful opportunity to build a diverse concert hall and music centre, comprising a traditional concert hall, a smaller intimate hall, and an inspiring modern foyer.

The second aim is to drive forward music across Bristol and the South West of England; working in partnership with city wide organisations, leading on musical education through the CLE team, commissioning new works, supporting local musicians, and promoting music across all communities to build on the vibrant talent already in the City. We want the Bristol music scene to stand out with its own unique culture and internationally renowned reputation.

Bristol Music Trust's vision is to integrate these two aims and put music at the heart of Bristol life, and to lead a strategic, holistic, citywide approach to promoting music so that it flourishes through performance, composition, participation, and education in our communities.

## **Charitable Activities**

Bristol Music Trust manages the operations of Bristol Beacon to provide artistic and educational benefits to the people of Bristol and the South West of England. During closure of the auditoria for the redevelopment project, BMT has continued to programme an impressive and varied programme of performance events at over 30 other venues in Bristol and to deliver music education teaching, courses and facilities to the region. The Trust's aim is to deliver an extensive and high-quality programme of creative performances across a range of musical genres. With a wide-ranging programme, the Trust will attract all age groups and reach out to the many diverse cultures of Bristol.

The outbreak of COVID-19 in March 2020 meant that all our external programming across other Bristol venues had to stop and the foyer building had to close so commercial activity ceased as well. We have however continued through the COVID-19 period to promote some music events on-line. This position continued throughout the financial year. With the easing of some COVID-19 restrictions in April 2021, live events have started with suitable social distancing measures post year-end from May 2021. The FY 2021/22 assumes gradual rebuilding of the live events business to 2019/2020 levels. This is underpinned by CRF grant and a significant grant from the Wolfson Foundation. The commercial business is based on rebuilding to 2/3rds the 2019/2020 levels and current bookings and enquiries support this. The CRF grant also supports operational costs so that overall the budget for 2021/2022 is set at a small surplus.

Under the umbrella of Creative Learning and Engagement (CLE), BMT operates the Arts Council England funded Music Education Hub for the City of Bristol as well as delivering many other music education projects. Across the CLE work, BMT aims to work with its strategic partners to deliver a coherent musical educational programme spanning formal and non-formal music education and ensure that every young person has access to high quality music learning opportunities and a platform for musical expression. BMT CLE team leads music education in Bristol, providing expertise and support to schools, community, and cultural organisations, and delivering the National Plan for Music Education to schools and their communities.

During the COVID-19 shut-down we continued a reduced level of music teaching activities with a Virtual Academy on-line over the summer months. Education provision continued both face-to-face in schools where possible, and on-line if not since the new term in September 2020.

CLE work is not affected by the closure of the auditoria for redevelopment since it operates from our Southmead site. CLE and the Trust will continue to work with a variety of partner organisations including performance partners such as Bournemouth Symphony Orchestra and the British Paraorchestra, education and delivery partners such as Open Up Music and Conductive Music; and other Bristol partners and venues such as St George's Bristol. The Trust will continue to work with a range of partners and to look to expand its partnership arrangements locally and nationally.

While the Trust's initial focus has been be on operating Bristol Beacon and the provision of music education services, the aims are to develop further with a strategic and wider remit in arts and cultural provision in Bristol, working in partnership with other arts partners. The Trust's charitable objects are therefore sufficiently wide to cover the arts in general, and this enables the organisation to advance any other charitable purposes selected by the Trustees. This gives the Trust maximum flexibility to develop its activities over time and include activities such as heritage conservation as the historic Lantern Hall is redeveloped.

## **Public Benefit & Pricing Policy**

The Trustees have taken The Charity Commission's specific guidance on public benefit into consideration in preparing their statements on public benefit contained within this Trustees' Annual Report. The objects of Bristol Music Trust are aimed at the general public in Bristol and the South West which reflects the focus of the Concert Hall and work of the CLE team in benefiting the community in Bristol and the surrounding area.

Charges are currently made to the public to attend performances, and this will continue. Charges will be in line with those charged by other charitable arts organisations and will be set at a level which reflects the ability of

the public to pay for tickets. Similarly, charges will continue to be made for some of the educational provision, and these are set at an affordable and benchmarked level. Bristol Music Trust's pricing policy aims to optimise the volume of sales and maximise income while maintaining a range of prices to encourage diverse and more frequent attendances from target groups.

Our headline pricing strategies are:

- Encouraging customers to attend less popular events through motivating price differences and special deals.
- Rewarding frequent customers and stimulating loyalty through members' incentives and multi-buy deals where appropriate.
- Encouraging early booking with early bird deals and by avoiding last minute discounting.
- Promoting accessibility by including lower price tickets and providing concessions for target groups such as young people where possible.
- Encouraging group bookings through group deals.
- Promoting price differentiation in the auditorium through clear and strategic incremental price breaks.

These strategies are varied and adapted for different genres within Bristol Beacon's programme. Applicable pricing is dependent on the individual show, but generally we operate concessions for our International Classical Season targeted at young people, including schemes for under 18s (£1 tickets) and under 25s (£8.50 tickets). 8-25-year-olds are offered free tickets for selected chamber concerts through our Cavatina scheme.

In addition, several performances and events are free for the public, including regular foyer performances and talks. Many of the educational workshops run by the CLE team are also free to young people. This ensures that people on lower incomes are not excluded from being able to benefit from the charity's activities. Anyone who requires assistance to attend an event at Bristol Beacon is invited to bring a personal assistant or companion who will be admitted free of charge.

### **Relationships with Related Parties**

Bristol City Council originally leased Bristol Beacon (and associated assets) to Bristol Music Trust for a 25-year period at a peppercorn rent. During the redevelopment period, this lease has been surrendered and replaced with a Development Agreement covering the use of the foyer building (not included in the redevelopment project), access to the old building and the terms of the new lease to be entered into on completion of the redevelopment works. The new lease is for a 32-year term and is at a peppercorn rent. Under its terms, Bristol City Council retains responsibility for structural maintenance and insurance of the whole site. Bristol Music Trust has responsibility for day-to-day maintenance of the whole site and all other operational matters.

The operation of Bristol Beacon and related music education activities transferred to Bristol Music Trust under the terms of a Transfer Agreement, with entrusted services to be discharged by Bristol Music Trust defined under the terms of an Entrustment Agreement. Compensation is payable by Bristol City Council for the provision of the entrusted services under the terms of a Service Level Agreement, with funding agreed in advance for a multi-year funding period through a Deed of Variation, to deliver the entrusted services against measurable outcomes.

Bristol Music Trust owns 100% ordinary share capital in the subsidiary company BMT Enterprises Ltd. BMT Enterprises Ltd manages its commercial activities (including catering, hire of conferencing facilities and meeting-rooms at Bristol Beacon, and the provision of box office services to other arts organisations) for the benefit of the charity, and all profits will be gift-aided to Bristol Music Trust on an annual basis. A cost sharing agreement is in place to ensure that BMT Enterprises Ltd pays Bristol Music Trust for its use of Bristol Beacon and other services.

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**ACHIEVEMENTS AND PERFORMANCE**

Bristol Music Trust has now been trading for ten years and is a well-established, artistically curious and financially well-managed organisation, with a national reputation for excellence and innovation, central to the cultural landscape of Bristol and the South West. During 2020/21, we were not able to maintain all our work and instead provided some limited performance events online, and as much of our music education work as possible online. We have had discussions with our main funders, and they have been supportive in continuing core funding even where specific programme and benefit delivery has been disrupted. This means that none of our core funding streams have been recalled.

**Bristol Beacon Artistic Programme**

Much of the activity this year has involved cancelling and rescheduling shows and planning for the future. Most of the cancelled shows have been able to be moved to mid-2021 onwards with limited ticket refunds made.

We did however produce some on-line streamed performances including two on-line weekend festivals of local bands in May and June 2020, the on-line 100<sup>th</sup> anniversary concert of Elgar's Lark Ascending from Shirehampton Village Hall in September 2020 and two Christmas 2020 on-line DJ events from the Beacon. We estimate that these events reached around 15,000 audience members and raised around £40,000 in on-line donations in lieu of ticket sales.

Our experience with these events is influencing the development of our digital performance strategy which is supported by CRF investment in live-streaming equipment.

**Creative Learning and Engagement****MUSIC EDUCATION HUB**

The Music Education Hub provides instrumental and singing music lessons in school and out of school across Bristol. Despite continued disruption due to COVID-19, 2020/21 was challenging but successful. With the implementation of the 'Bristol Musical Schools' membership scheme we achieved good engagement across core and extension roles in both primary and secondary schools. The situation at our two music centres was made particularly complicated by repeated lockdowns, however, we managed to provide over 300 children with a hybrid mix of in-person and online music making opportunities, a highlight of which was a 4-week online music centre takeover by Chineke! Orchestra.

The COVID-19 crisis has highlighted the importance of having a strong digital offer. Although we have returned to in person music lessons and rehearsals, we will continue to deliver a blended programme of online and in-person music education and training for the foreseeable future. We have seen a large increase in school participation in livestream events enabling thousands of children to participate in mass participatory activities. Maintaining a vibrant online programme of lessons and training content is critical to our business model and the new Bristol Musical Schools membership scheme. We expect disruption to traditional in-school core and extension music education provision will continue for the foreseeable future.

Currently, 62 schools are signed-up to the membership and we are providing core or extension services to 75 schools. Over the next 12 months, we hope all schools in Bristol will join the membership scheme. The two largest in school programmes that took place during 20/21 include, Earthsong, which works annually with 23 classes (approx. 690 pupils) and Whole Class Ensemble Tuition which cover 85 classes (approx. 2,550 pupils), and we have in-person music lessons in 57 schools.

**COMMUNITY**

Bristol Beacon's community programme has managed to grow despite the pandemic and has branched into new territories. We have developed an important role in supporting Bristol City Council's arts and health network, 'Thriving Communities'. Through this network we have developed a new model of Music and Movement on



Prescription. In addition, this year we launched 'Here and Now', which provides opportunities for adults living with dementia and their families and we have continued to develop the Children's Hospital Orchestra – a new project that uses accessible digital instruments to tackle loneliness and apathy amongst children in oncology and bone marrow transplant wards. This year we have continued to strengthen partnership with charities, voluntary groups, social enterprises and local authority support services. The programme has music at its heart but also embraces art, dance, drama and other forms of creative expression. The programme is co-created with Bristol's most underrepresented and historically marginalised communities, redressing representation in our programme.

## **INDUSTRY DEVELOPMENT**

Although COVID-19 has slowed our ability to deliver the 'Industry Development' programme, we have continued to plan and revise the format in line with stakeholder aims and objective. The programme continues to 'develop the music professionals of the future', providing industry experience across a range of professions and showcasing and promoting the quality of Bristol's music scene. We hold industry events for 16yrs + alongside a series of creative masterclasses. Funding from PRSF means the Industry Development programme is part of the PRSF national 'Talent Development Partner Network'. In addition, funding from the National Foundation for Youth Music, enables Bristol Beacon to support talented young performers from Bristol's underrepresented communities to develop their craft and get a foothold in the industry.

## **Organisation**

The Trust has a proven track record of effectively managing the charity's resources, utilising a commercial, value for money approach within an appropriate and robust governance framework to deliver exceptional artistic and educational outcomes for our audiences and young people. An experienced executive team and skilled workforce have brought creativity, passion, and commitment to the work of the organisation, and we have consistently met our strategic objectives increasing both the range and reach of our activities.

We have continued to develop our commercial operations to support the charitable work of the Trust during the closure for redevelopment and COVID-19 impact.

Bristol Beacon is recognised for achieving excellence in our customer service and providing a first-class experience for all our visitors is at the heart of our brand. We continue to work closely with the charity Attitude is Everything to review and improve our accessibility offer.

Partnership working continues to be key to both our artistic and commercial success and underpins our contribution to Bristol's musical, cultural and economic life. We enjoy partnerships with some of the South West's most successful businesses and have continued to build on strong public and corporate support for our music and educational activity.

In addition to the support we have received from Bristol City Council, and in spite of COVID-19, we have raised over £1.1 million total voluntary funds for our music and education programs. In 2017, KPMG calculated that the economic impact generated by the Concert Hall in terms of Gross Value Added (GVA) – a measure of the economic value of goods and services generated as a result of the Concert Hall's activities – and employment (in full-time equivalent (FTE) terms), in 2015/16 was £17.4m. Of this, £11.8m is generated within Bristol itself.

## **FINANCIAL REVIEW**

### **Financial Results**

Bristol Music Trust's tenth year of activity from 1 April 2020 to 31 March 2021 has resulted in a surplus of £241k made up of £157k from the creative learning business and £84k from the core business. These amounts will be reinvested in the music education and music programme of the business as we move towards re-opening. The unrestricted net increase in funds was £241,109 on total income of £15,318,723 (2019/20: £11,171,572). With funds of £461,338 brought forward from 2019/20 this gives £702,447 in unrestricted funds to be carried forward.

There has been a net increase in funds over the year of £1,173,114 due to the timing of CLE grant activity, and grants and donations made to the Bristol Beacon building project. Total fund balances of £3,892,834 (2019/20: £2,719,720) will therefore be carried forward to the next financial year.

The charity received unrestricted funding of £1,026,000 from Bristol City Council and a COVID-19 hospitality industry relief grant of £10,000 together with £243,750 NPO funding from Arts Council England. This was retained in full to support the organisation through COVID-19 during the year. Job Retention Scheme Grant amounted to £673,054. Additional unrestricted voluntary funding of £73,245 has been generated for day-to-day activities from unrestricted grants, public donations, and corporate sponsorship, and from both the membership and patron schemes.

Total grants of £772,442 (restricted) have been received from funding organisations to support the Trust's music and educational programmes, including the annual music education grant from Arts Council England (£573,807) and the continuation of funding from the Youth Music Foundation (£198,635) to continue our work with disabled musicians through our National Centre for Inclusive Excellence (NCIE).

In addition, £12,129,025 of grant and donations, drawdown from ACE, NLHF and WECA capital grants have been received in the year for the capital transformation project. Of the income received and restricted capital project funds balances brought forward, £2,639,657 is carried forward after costs of £441,919 for the Trust's own project costs and £10,790,737 is to be transferred to Bristol City Council for construction and design costs on the project.

The charity benefited from a gift-aided contribution of £8,582 (2019/20: £206,508) which represented the net profit of its subsidiary company BMT Enterprises Ltd for the same period. The profits of the trading subsidiary company have arisen from the provision of services in relation to conferencing and meeting-room hire, the Hall stalls and terrace bar and box office services to external arts organisations.

Total net assets (total assets less total liabilities) and charity funds of £3,892,833 are reported as at 31 March 2021 (2019/20: £2,719,720), mainly due to the capital fundraising campaign. Cash at bank and in hand totals £16,743,502 (2019/20: £6,186,345) of which £496,341 (2019/20: £453,027) relates to advance ticket sales and £14,555,866 (2019/20: £4,959,921) relates to the capital transformation project. The Trustees have agreed that the designated Fixed Asset Fund should be sufficient to cover the net book value of the organisation's fixed assets as at the financial year end (£107,559), and therefore approved a transfer of £41,682 to the General Fund as at 31 March 2021. The Trustees also agreed to transfer £154,747 from Designated Funds to the General Fund relating to the Bristol Plays Music Fund, Music Development Fund and Bristol Beacon Building Fund.

### **Reserves Policy**

The total level of unrestricted funds being the General Fund plus Designated Funds (less Fixed Assets fund) as at the end of 2020/21 is £594,888 (2019/20: £312,097). BMT was successful in May 2021 in obtaining an ACE CRF grant which includes £300k to be applied specifically to reflatting reserves. The Trustees are currently reviewing the reserves policy to develop a long-term strategy to build the charity's general reserves further over time once the building project is complete. The current policy is to maintain a minimum level of free reserves that equates to at least one to three months of budgeted staff costs (£152k) from April 2021.

### **Investments Policy**

Under the Memorandum and Articles of Association, the charity has the power to make any investment that the Board of Trustees sees fit. The Trustees have agreed that cash in relation to advance ticket income for upcoming shows (including commercial hires) be held in a separate Bristol Music Trust bank account from the main operational account to effectively and transparently manage the Trust's operational cash flow. The Trustees have further agreed that cash in relation to restricted income received for the capital transformation project should also be held in a separate Bristol Music Trust bank account until such time it is either used by the Trust to pay for capital project costs or is transferred to Bristol City Council to pay for construction costs for the project.



## **FUTURE PLANS**

The financial year 2020/21 has been significantly affected by the COVID-19 pandemic, as has the refurbishment project programme timescale. However, the actions taken by the business at the beginning of the COVID-19 pandemic have resulted in cost cutting and grant income generation that has mitigated the loss in income during the year.

As anticipated at the time, the most significant impact on the business will be felt in 2021/22 when the pandemic restrictions are being lifted and the business starts to re-build but without the benefit on any further ongoing government support.

For this reason, BMT applied to Round 2 of the Cultural Recovery Fund grant administered by ACE and were successful in obtaining £800k of funding to be used in 2021/22. Of this £300k is restricted to re-inflating reserves, £151k is for artistic performances to restart live events, £85k is for live-streaming equipment to support artistic and educational delivery and £264k is to support operational business costs in Q1 2021/22.

As a result of this, BMT has set a budget with a small surplus for 2021/22 and will invest further as needed in music education and artistic programming during 2021/22 from the surplus generated in 2020/21.

Small COVID-19 secure artistic events started in the foyer in May 2021 and in other venues as well as commercial events in the foyer building. This is in line with colleague organisations in Bristol. We are also providing as full a music education programme as possible to schools and parents now that schools are fully returned to operations.

Since the refurbishment project has suffered a delay to the programme to April 2023, the terms of the Collaboration Agreement with BCC have been invoked such that project related costs can be charged to the project. Under the terms of this agreement, as in the first 2 years of the project, in 2020/21 c£300k pa will be drawn down from the project costs to cover BMT project related costs (eg signage, IT, box office, fundraising). This will continue with identified costs continuing to be included in the project costs (c£400k) in 2021/22.

BCC confirmed in March 2021 that the gap in total project costs following the extension of the capital project will be fully met by BCC. As part of the strategy for delivering the transformation project we will continue to focus on advocacy, communication, and the development of key stakeholder relationships to support our work and fundraising campaign. This will continue with our individual giving campaign, the development of more corporate support, a major benefactor group and building and space naming rights.

## **Trustees' & Directors' Responsibilities in the Preparation of Financial Statements**

The Trustees (who are also the directors of Bristol Music Trust for the purposes of company law) are responsible for preparing the Trustees' annual 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 charitable company and the group as at the balance sheet date, and of the incoming resources and application of resources, including income and expenditure, for that period. In preparing those financial statements, the Trustees and directors are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP and FRS 102.
- 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.
- 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 proper accounting records, which 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 Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the charitable company and the group, 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. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

#### **Auditor**

RSM UK Audit LLP was first appointed during the financial year 2011/12 and have been reengaged for the financial year 2021/22. They have indicated a willingness to continue in office.

#### **Statement as to Disclosure of Information to the Auditor**

The Trustees and directors at the date of approval of this Trustees' Annual Report confirm that so far as each of them is aware, there is no relevant audit information of which the charity's auditor is unaware, and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved by the Audit Resources and Risk Committee on behalf of the Board of Trustees on 23 July 2021, and was signed on their behalf by:

A handwritten signature in black ink, appearing to read 'S. Chapman', with a long horizontal flourish extending to the right.

.....  
**Simon Chapman (Chair)**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRISTOL MUSIC TRUST**

### **Opinion**

We have audited the financial statements of Bristol Music Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements 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 FRS 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 group's and the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, 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 and the Charities Act 2011.

### **Basis for opinion**

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 group and parent charitable company 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 group's or parent charitable company'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 Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 18, the trustees (who are also the directors of the charitable company for the purposes 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 group's and parent charitable company'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 group or parent 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**

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 the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to Keeping Children Safe in Education under the Education Act 2002 and data protection legislation (General Data Protection Regulation). We performed audit procedures to inquire of management whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates, testing a sample of

invoices raised and income recognized in the year to source documentation including contracts, funding agreements and other donation documentation.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

KERRY GALLAGHER (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Hartwell House

55-61 Victoria Street

Bristol

BS1 6AD

**2 August 2021**

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		£	£	2021 £	2020 £
<b>Income</b>					
Voluntary income	1	2,068,468	12,901,467	14,969,935	9,135,728
Charitable activities income	2	203,330	-	203,330	1,677,603
Other trading activities income	3	137,078	-	137,078	342,680
Investment income	4	8,380	-	8,380	15,561
<b>Total income</b>		<b>2,417,256</b>	<b>12,901,467</b>	<b>15,318,723</b>	<b>11,171,572</b>
<b>Expenditure</b>					
Raising voluntary income	5	18,405	-	18,405	6,242
Charitable activities costs	6	2,029,246	736,806	2,766,052	4,202,815
Other trading activities costs	5	128,496	-	128,496	215,195
Capital transformation project	7	-	11,232,656	11,232,656	5,684,501
<b>Total expenditure</b>		<b>2,176,147</b>	<b>11,969,462</b>	<b>14,145,609</b>	<b>10,108,753</b>
<b>Net income/(expenditure)</b>	11	<b>241,109</b>	<b>932,005</b>	<b>1,173,114</b>	<b>1,062,819</b>
Transfers between funds		-	-	-	-
<b>Net movement in funds</b>	19	<b>241,109</b>	<b>932,005</b>	<b>1,173,114</b>	<b>1,062,819</b>
Total funds brought forward		461,338	2,258,382	2,719,720	1,656,901
<b>Total funds carried forward</b>	19	<b>702,447</b>	<b>3,190,387</b>	<b>3,892,834</b>	<b>2,719,720</b>

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

All income and expenditure for the year derive from the charity's continuing activities

## BALANCE SHEET

	Notes	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
<b>Fixed assets</b>					
Tangible assets	12	113,325	149,241	107,557	139,904
Investment in subsidiary	13	-	-	1	1
<b>Total fixed assets</b>		<b>113,325</b>	<b>149,241</b>	<b>107,558</b>	<b>139,905</b>
<b>Current assets</b>					
Stock	14	6,297	10,229	-	-
Debtors	15	1,132,348	1,641,677	1,117,740	1,619,422
Cash at bank and in hand					
- Operational		1,691,295	773,397	1,622,380	551,238
- Advanced Ticket Sales		496,341	453,027	496,341	453,027
- Restricted Capital Funds		14,555,866	4,959,921	14,555,866	4,959,921
<b>Total current assets</b>		<b>17,882,147</b>	<b>7,838,251</b>	<b>17,792,327</b>	<b>7,583,608</b>
<b>Total assets</b>		<b>17,995,472</b>	<b>7,987,492</b>	<b>17,899,885</b>	<b>7,723,513</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	16	(13,982,502)	(5,141,228)	(13,886,915)	(4,877,249)
<b>Net current assets</b>		<b>3,899,645</b>	<b>2,697,023</b>	<b>3,905,412</b>	<b>2,706,359</b>
<b>Total assets less current liabilities</b>		<b>4,012,970</b>	<b>2,846,264</b>	<b>4,012,970</b>	<b>2,846,264</b>
Creditors: amounts falling due after more than one year	17	(120,137)	(126,544)	(120,137)	(126,544)
<b>Net Assets</b>		<b>3,892,833</b>	<b>2,719,720</b>	<b>3,892,833</b>	<b>2,719,720</b>
<b>The funds of the charity</b>					
Restricted funds	19	3,190,387	2,258,382	3,190,387	2,258,382
Unrestricted funds	19				
- General fund		589,121	157,350	594,888	166,687
- Designated funds		113,325	303,988	107,558	294,651
<b>Total charity funds</b>		<b>3,892,833</b>	<b>2,719,720</b>	<b>3,892,833</b>	<b>2,719,720</b>

The parent charitable company made a total surplus for the year of £1,164,534 (2020: £935,334 *Surplus*) including restricted funds.

The financial statements on pages 23 to 43 were approved by the Board of Trustees on 23 July 2021 and are signed on their behalf by:



.....  
**Simon Chapman (Chair)**



## STATEMENT OF CASHFLOWS

	Notes	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
<b>Cash generated by operating activities</b>	21	<b>10,552,642</b>	<b>4,023,596</b>	<b>10,705,884</b>	<b>3,843,636</b>
<b>Cash flows from investing activities</b>					
Interest Income		8,380	15,561	8,381	15,562
Purchase of tangible fixed assets		(3,865)	(81,913)	(3,865)	(81,910)
<b>Total cash flows from investing activities</b>		<b>4,515</b>	<b>(66,352)</b>	<b>4,516</b>	<b>(66,348)</b>
<b>(Decrease)/Increase in cash for the year</b>		<b>10,557,157</b>	<b>3,957,244</b>	<b>10,710,400</b>	<b>3,777,288</b>
<b>Total cash brought forward</b>		<b>6,186,345</b>	<b>2,229,101</b>	<b>5,964,187</b>	<b>2,186,899</b>
<b>Total cash carried forward</b>		<b>16,743,502</b>	<b>6,186,345</b>	<b>16,674,587</b>	<b>5,964,187</b>

## **ACCOUNTING POLICIES**

The principal accounting policies adopted, judgements, and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP) applicable to charities preparing their accounts and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019.

Bristol Music Trust 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 note.

### **BASIS OF CONSOLIDATION**

The group Financial Statements consolidate the results of the parent charitable company and its subsidiary undertaking for the year ended 31 March 2021 using the acquisition method of accounting. Intra group transactions and profits are eliminated fully on consolidation. A separate statement of financial activities, dealing with the results of the parent charity entity only has not been presented as permitted by section 408 of the Companies Act 2006.

### **GOING CONCERN**

The Trustees have presented the accounts on a going concern basis. In reaching this conclusion, they have reviewed the income and expenditure and cashflow forecast for the financial year 2021/22 together with the budget and cashflow for 2022/23.

For the current financial year 2021/22, the budget shows a small surplus following gradual re-opening post COVID-19 and the application of the CRF grant. For the CLE business the main Arts Council England grant for the provision of music education services is confirmed for the year.

For the following financial year 2022/23, the budget and cashflow are based on the assumptions of continued growth and recovery of business throughout the year towards re-opening in April 2023 and a tight control on overheads as previously delivered. The budget has been subject to sensitivity analysis by the Senior Management Team and has been drawn on a conservative basis with contingency built in. It shows a small surplus.

For both 2021/22 and 2022/23 funds will be drawn down from the refurbishment project to cover project related costs incurred due to the delays in completion of the project. Bristol City Council have confirmed this arrangement in writing. This is in addition to the ongoing SLA for music service delivery that runs until 2035.

The Trustees consider there are no material uncertainties that would cast significant doubt around the Group's and the Charitable Company's ability to operate as a going concern for a period of at least 12 months from the date of approval of the financial statements.

### **CAPITAL TRANSFORMATION PROJECT**

The redevelopment of the Bristol Beacon is subject to and accounted for in line with a Development Agreement with Bristol City Council (BCC) which replaced the previous lease. Under this agreement, the risks and rewards of ownership of the building are retained by BCC so no asset is recognised by BMT at this stage of the project.

Under the terms of the agreement BMT has taken the lead on fundraising for the project and recognises the income received when there is evidence of entitlement, probability of receipt and the income can be reliably measured. The delivery of the project and its associated costs are borne by BCC and expenditure is recognised when costs incurred are invoiced by BCC in line with the agreement.

### **INCOME**

Voluntary income includes our Service Level Agreement payments from Bristol City Council which is of a general nature. Income from grants and donations is recognised when there is evidence of entitlement, probability of receipt and they can be reliably measured. Grant funding received in relation to specific projects (for example education projects) is recognised as restricted funding.

Income from charitable activities includes hall hire income, box office sales from our own promotions, income from our educational activities, and box office booking fees. It is recognised as earned income in the year which the related goods or services are provided. Charitable activity income is deferred when box office sales or bookings are received or invoiced in advance of the performance or event to which they relate. Advance ticket revenue for future lettings, and therefore due to external promoters, is included in deferred income (note 18).

### **EXPENDITURE**

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT that cannot be recovered.

Expenditure on raising voluntary income includes direct and indirect costs associated with our fundraising activity.

Expenditure on charitable activities includes costs associated with the staging of performances, events, and our educational activities, and includes both the direct costs and support costs relating to these activities (including costs incurred in the governance of the charity and its assets).

Expenditure on other trading activities includes costs associated with commercial trading operations (catering, hire of conferencing facilities and meeting-rooms at Bristol Beacon, and the provision of box office services to other arts organisations) through BMT Enterprises Ltd, and includes both the direct costs and support costs relating to these activities.

Bristol Music Trust leases the Bristol Beacon premises, and certain fixed assets within the Hall at the time of transfer of business operations, from Bristol City Council at a peppercorn rent. It is not considered possible to determine the open market value of the facility and therefore no rental charge has been recognised in the Statement of Financial Activities.

## **TERMINATION PAYMENTS**

Termination payments are payable when employment is terminated before the normal retirement date or end of employment contract. They are recognised when the commitment to payment is made.

## **TANGIBLE FIXED ASSETS**

All tangible assets purchased that have an expected useful economic life that exceeds one year and a value of more than £1,000 are capitalised and classified as fixed assets. Any equipment or assets purchased for less than £1,000 per item will be accounted for as expenditure in the year of purchase. Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Furniture, fixtures and fittings	3-5 years straight line
Computer equipment	3 years straight line
Technical equipment	3-10 years straight line
Plant & Machinery	3-10 years straight line
Catering equipment	3 years straight line
Musical Instruments	10 years straight line

Bristol City Council has agreed that assets (catering equipment, technical equipment, plant and machinery, furniture, fixtures and fittings) associated with the running of the Bristol Beacon and contained within the building at the start of the lease will be left at the premises for the term of the new 32 year lease as part of the lease agreement. Ownership of these assets is retained by the Council and these assets (or equivalent assets in the same condition) will be returned to the Council at the end of the lease, and therefore should not be recognised as assets by the charity. It is the opinion of the Trustees that all such assets are of a low fair value and as such would be immaterial to the financial statements. This excludes the Steinway piano which must be maintained by the Trust as part of the lease agreement. Where tangible assets are purchased as replacements they will be recognised as assets by the charity and depreciated in accordance with the policy above.

## **STOCKS**

Stocks are valued at the lower of cost and net realisable value.

## **LEASED ASSETS AND OBLIGATIONS**

All other leases are “operating leases” and the annual rentals are charged to the statement of financial activities on a straight line basis over the lease term.

## **PENSION CONTRIBUTIONS**

The charity has introduced a defined contribution pension scheme for employees with Royal London, and a defined contribution pension scheme for casual workers with the National Employment Savings Trust. The assets of both schemes are held separately from those of the charity. The annual employer’s contributions are charged to the Statement of Financial Activities.

Bristol Music Trust employees who were TUPE transferred to the organisation from Bristol City Council retain their membership of the Local Government Pension Scheme (a defined benefits scheme). The assets of the scheme are held separately from those of the charity. The employer's contributions rate was assessed at 14.7% at the time of transfer based upon details of the employees who transferred over. The transfer agreement states that potential increases to this rate (over 17.2%) after future assessments will be covered by a corresponding increase in Bristol City Council grant funding to avoid any financial risk to the charity. As such the scheme is treated as a defined contribution scheme in accordance with FRS102 Retirement Benefits.

Bristol Music Trust employees who were TUPE transferred to the organisation as members of the Teachers' Pension Scheme (a defined benefits scheme) retain their membership of this scheme. The company contributes to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the Governors by the Scheme Administrator. The scheme is a multi-employer pension scheme, and it is not possible to identify the assets and liabilities of the scheme which are attributable to the company. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme. Further details are provided in note 22.

## **FUND ACCOUNTING**

The general fund comprises the accumulated surpluses of unrestricted incoming resources over resources expended, which are available for use in furtherance of the general objectives of the charity.

Designated funds are a particular form of unrestricted funds consisting of amounts which have been allocated or designated for specific purposes by the Trustees. The use of designated funds remains at the discretion of the Trustees.

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the accounts. Amounts unspent at the year-end are carried forward in the balance sheet. Due to the material balance of the building refurbishment project, it has been split out into a separate restricted fund in note 19 under the heading 'BB Phase 2 – Capital Transformation Project'.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. VOLUNTARY INCOME

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
<b>Core Activities</b>				
Bristol City Council – core funding	1,036,000	-	1,036,000	1,026,000
Music education hub funding	-	573,807	573,807	567,136
Other grants	959,223	-	959,223	265,878
Trusts and foundations	-	198,635	198,635	764,061
Individual donations	65,509	-	65,509	18,098
Memberships	1,663	-	1,663	3,319
Sponsorship	6,073	-	6,073	35,673
<b>Core Activities: voluntary income</b>	<b>2,068,468</b>	<b>772,442</b>	<b>2,840,910</b>	<b>2,680,165</b>
<b>Capital Transformation Project</b>				
Other grants	-	11,773,244	11,773,244	5,422,433
Trusts and foundations	-	220,000	220,000	874,000
Other sources	-	135,781	135,781	159,130
<b>Bristol Beacon Phase 2 - Transformation Project: voluntary income</b>	<b>-</b>	<b>12,129,025</b>	<b>12,129,025</b>	<b>6,455,563</b>
<b>Total voluntary income</b>	<b>2,068,468</b>	<b>12,901,467</b>	<b>14,969,935</b>	<b>9,135,728</b>

Voluntary income was £14,969,935 (2020: £9,135,728) of which £2,068,468 was unrestricted (2020: £1,348,968) and £12,901,467 was restricted (2020: £7,786,760).

Unrestricted voluntary income Other Grants includes the Covid Job Retention Scheme grant from HMG of £673,054 (2020: nil).

### 2. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Hall and space lettings	-	-	-	9,263
Own and co-promotions	-	-	-	796,038
Education activities	193,521	-	193,521	787,570
Other event income	9,809	-	9,809	84,732
<b>Total income from charitable activities</b>	<b>203,330</b>	<b>-</b>	<b>203,330</b>	<b>1,677,603</b>

Income from charitable activities was £203,330 (2020: £1,677,603), this was all unrestricted (2020: all unrestricted).

### 3. NET INCOME FROM TRADING ACTIVITIES (BMT ENTERPRISES LTD)

	2021	2020
	£	£
Turnover	137,078	342,680
Cost of sales	(112,664)	(173,563)
<b>Gross profit</b>	<b>24,414</b>	<b>169,117</b>
Administrative expenses	(15,832)	(41,632)
<b>Net income from trading activities</b>	<b>8,582</b>	<b>127,485</b>
Balance brought forward	-	79,023
Gift aid payment to Bristol Music Trust	(8,582)	(206,508)
<b>Retained in subsidiary</b>	<b>-</b>	<b>-</b>
Total assets	148,445	263,979
Total liabilities	(148,444)	(263,978)
<b>Net assets</b>	<b>1</b>	<b>1</b>
Share capital and reserves	1	1

### 4. INVESTMENT INCOME

	2021	2020
	£	£
Bank interest	8,380	15,561

### 5. COSTS OF RAISING FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
<b>Costs of trading activities (BMT Enterprises Ltd)</b>				
Cost of sales	112,664	-	112,664	173,563
Staff costs	-	-	-	82,113
Other support costs	15,832	-	15,832	(40,481)
	<b>128,496</b>	<b>-</b>	<b>128,496</b>	<b>215,195</b>
<b>Costs of raising voluntary income</b>				
Direct costs of fundraising	18,405	-	18,405	6,242
	<b>18,405</b>	<b>-</b>	<b>18,405</b>	<b>6,242</b>
<b>Total costs of raising funds</b>	<b>146,901</b>	<b>-</b>	<b>146,901</b>	<b>221,437</b>

The costs of raising funds were £146,901 (2020: £221,437), this was all unrestricted (2020: all unrestricted).

Costs of staff employed in a fundraising capacity are included in support costs of charitable activities (note 6).

## 6. COSTS OF CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
<b>Direct costs of charitable activities</b>				
Hall and space lettings	-	-	-	11,659
Own and co-promotions	47,054	-	47,054	821,417
Education activities	-	364,403	364,403	834,701
Other event income	8,975	-	8,975	3,806
	<b>56,029</b>	<b>364,403</b>	<b>420,432</b>	<b>1,671,583</b>
<b>Support costs of charitable activities</b>				
Staff costs	1,478,326	365,552	1,843,878	1,749,489
Premises costs	268,252	-	268,252	199,052
Other supplies and services	139,195	6,851	146,046	457,366
Marketing costs	87,444	-	87,444	125,325
	<b>1,973,217</b>	<b>372,403</b>	<b>2,345,620</b>	<b>2,531,232</b>
<b>Total costs of charitable activities</b>	<b>2,029,246</b>	<b>736,806</b>	<b>2,766,052</b>	<b>4,202,815</b>

Costs of charitable activities were £2,766,052 (2020: £4,202,815) of which £2,029,246 was unrestricted (2020: £3,313,681) and £736,806 was restricted (2020: £889,134).

## 7. COSTS OF CAPITAL TRANSFORMATION PROJECT

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
<b>Direct costs of capital transformation project</b>				
Staff costs	-	27,990	27,990	347,082
Funds to be transferred to Bristol City Council for project delivery costs	-	10,790,737	10,790,737	5,029,050
Direct and indirect fundraising costs	-	15,145	15,145	18,700
Other support costs	-	398,784	398,784	289,669
<b>Total costs of capital project</b>	<b>-</b>	<b>11,232,656</b>	<b>11,232,656</b>	<b>5,684,501</b>

## 8. GOVERNANCE COSTS

	2021 £	2020 £
Audit	16,000	15,000
Accountancy fee	400	4,450
	<b>16,400</b>	<b>19,450</b>



## 9. STAFF COSTS

The average monthly number of persons employed by the charity during the year was as follows:

	2021	2020
	No.	No.
Employees	94	100
Casual workers	32	24
<b>Monthly total</b>	<b>126</b>	<b>124</b>

These staff numbers include members of staff contracted by Bristol Music Trust on behalf of BMT Enterprises Ltd, the costs of which are charged direct to BMT Enterprises Ltd as part of the cost sharing agreement between parent company and subsidiary.

Staff costs for the above persons:

	2021	2020
	£	£
Wages and salaries	1,611,858	1,762,588
Social security costs	123,361	152,648
Pension costs	115,621	169,186
Agency staff	7,236	58,644
Training, recruitment and allowances	13,792	35,618
Termination payments	6,700	-
<b>Total staff costs</b>	<b>1,878,568</b>	<b>2,178,684</b>

Staff costs for the executive team (key management personnel) including employer pension contributions totalled £571,119 for the year (2020: £603,107) for eleven members of staff (2020: twelve). During the year redundancy and termination payments of £6,700 (2020: £0) were made to one (2020: 0) employee.

Two employees (2020: two) received total emoluments (excluding employer pension contributions) of more than £60,000 within the following bands:

	2021	2020
	No.	No.
£60,001 - £70,000	1	1
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
	<b>2</b>	<b>2</b>

The above employees earning more than £60,000 per annum participated in the Defined Contribution Pension Scheme. During the year ended 31 March 2021, the pension contributions for staff in these bands amounted to £7,081 (2020: £8,018).

The charity has taken out a Trustees' indemnity insurance policy that provides professional indemnity cover for the Trustees of the charity. The cost of this insurance policy to the charitable company for the year was £597 (2020: £597).

None of the members of the Board of Trustees received any remuneration except for the CEO who is remunerated for her role as CEO and not as Trustee. During the year Trustees received reimbursements of personal travel and subsistence expenditure that amounted to £0 (2020: £0).

## 10. DIRECTORS' REMUNERATION

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	80,765	93,391
Company pension contributions to defined contribution schemes	4,029	4,670
	<b>84,794</b>	<b>98,061</b>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020: 1).

## 11. NET INCOME/(EXPENDITURE)

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation	39,781	31,558
Operating Leases		
- Plant & machinery	2,993	3,570
- Office & equipment	9,386	6,877
Audit fee	16,000	15,000
Stock expense	3,542	35,475

## 12. TANGIBLE FIXED ASSETS

	Plant & Machinery	Office Equipment	IT Equipment	Fixtures & Fittings	Musical Instruments	Total
	£	£	£	£	£	£
<b>Group:</b>						
<b>Cost</b>						
01-Apr-20	162,421	5,322	119,527	193,833	3,961	485,064
Additions	-	-	3,865	-	-	3,865
Disposals	-	-	-	-	-	-
<b>31-Mar-21</b>	<b>162,421</b>	<b>5,322</b>	<b>123,392</b>	<b>193,833</b>	<b>3,961</b>	<b>488,929</b>
<b>Depreciation</b>						
01-Apr-20	(86,603)	(3,122)	(61,911)	(183,357)	(830)	(335,823)
Charge for the year	(15,983)	(485)	(18,583)	(4,177)	(553)	(39,781)
Disposals	-	-	-	-	-	-
<b>31-Mar-21</b>	<b>(102,586)</b>	<b>(3,607)</b>	<b>(80,494)</b>	<b>(187,534)</b>	<b>(1,383)</b>	<b>(375,604)</b>
<b>Net book value</b>						
<b>31-Mar-21</b>	<b>59,835</b>	<b>1,715</b>	<b>42,898</b>	<b>6,299</b>	<b>2,578</b>	<b>113,325</b>
<b>31-Mar-20</b>	<b>75,818</b>	<b>2,200</b>	<b>57,616</b>	<b>10,476</b>	<b>3,131</b>	<b>149,241</b>
<b>Company:</b>						
<b>Cost</b>						
01-Apr-20	151,798	5,322	106,799	101,024	3,961	368,904
Additions	-	-	3,865	-	-	3,865
Disposals	-	-	-	-	-	-
<b>31-Mar-21</b>	<b>151,798</b>	<b>5,322</b>	<b>110,664</b>	<b>101,024</b>	<b>3,961</b>	<b>372,769</b>
<b>Depreciation</b>						
01-Apr-20	(78,488)	(3,122)	(52,771)	(93,789)	(830)	(229,000)
Additions	(14,935)	(485)	(17,702)	(2,537)	(553)	(36,212)
Disposals	-	-	-	-	-	-
<b>31-Mar-21</b>	<b>(93,423)</b>	<b>(3,607)</b>	<b>(70,473)</b>	<b>(96,326)</b>	<b>(1,383)</b>	<b>(265,212)</b>
<b>Net book value</b>						
<b>31-Mar-21</b>	<b>58,375</b>	<b>1,715</b>	<b>40,191</b>	<b>4,698</b>	<b>2,578</b>	<b>107,557</b>
<b>31-Mar-20</b>	<b>73,310</b>	<b>2,200</b>	<b>54,028</b>	<b>7,235</b>	<b>3,131</b>	<b>139,904</b>

## 13. INVESTMENTS

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Investment in share capital of BMT Enterprises Ltd	-	-	1	1

The above relates to an investment of 100% of ordinary share capital in the subsidiary company BMT Enterprises Ltd (company number 07575415).

## 14. STOCKS

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Stock	6,297	10,229	-	-

The above relates to Bristol Beacon bars and merchandise stock held by the subsidiary company BMT Enterprises Ltd.

## 15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Trade debtors	95,164	474,028	30,552	455,771
Other debtors	247,254	(8,546)	247,254	(1,179)
Amounts owed by group	-	238,138	50,004	227,447
Prepayments	54,505	114,509	54,505	113,835
Accrued income - Capital	405,383	484,313	405,383	484,313
Accrued income	330,042	339,235	330,042	339,235
	<b>1,132,348</b>	<b>1,641,677</b>	<b>1,117,740</b>	<b>1,619,422</b>

## 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Trade creditors	12,881,253	286,600	12,877,688	282,023
Other taxation and social security costs	187,979	137,429	164,205	133,902
Pension contributions payable	23,362	24,863	23,362	24,863
Other creditors	78,510	25,367	77,912	25,367
Amounts owed to group	-	238,138	2,853	10,691
Accruals	230,191	80,360	212,034	78,727
Accruals - Capital BCC	-	3,705,381	-	3,705,381
Deferred income	581,207	643,090	528,861	616,295
	<b>13,982,502</b>	<b>5,141,228</b>	<b>13,886,915</b>	<b>4,877,249</b>

Trade creditors includes an amount of £12,594,693 of capital fundraising owed to BCC (2020: £3,705,381 accruals Capital BCC).

Deferred income includes advance ticket income of £449,666 (2020: £386,589).

NatWest Bank holds a fixed and floating charge over all assets of the charity. This was registered in 2015.

## 17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Long term loans	100,000	100,000	100,000	100,000
Long term finance lease	20,137	26,544	20,137	26,544
	<b>120,137</b>	<b>126,544</b>	<b>120,137</b>	<b>126,544</b>

The long-term loan is a 6-year loan from the social investment company Resonance Impact Investment through WCS Nominees Ltd. The loan matures annually from 1 October 2022 until 30 September 2024. The Company will make monthly repayments of the borrowings. Interest is charged at 1.75% pa until 1 October 2022 and 2.75% from then until the end of the term. All borrowings are denominated and repaid in pounds sterling.

## 18. DEFERRED INCOME

	Group £	Company £
Balance as at 1 April 2020	643,090	616,295
Amount released to income from charitable activities	(643,090)	(616,295)
Amount deferred in the year	581,207	528,861
Balance as at 31 March 2021	<b>581,207</b>	<b>528,861</b>

## 19. ANALYSIS OF CHARITABLE FUNDS

	Balance at 01-Apr-20	Income	Expenditure	Transfer between Funds	Funds at 31-Mar-21
	£	£	£	£	£
<b>Restricted funds</b>					
Music Education Hub	-	573,807	(573,807)	-	-
NCIE - Youth Music	91,257	153,435	(132,285)	-	112,407
Earth Song	18,838	30,000	-	-	48,838
Grant Anchor Society	5,000	5,000	(10,000)	-	-
Sound UK	-	1,200	(1,200)	-	-
Paul Hamlyn Foundation	400,000	-	(10,514)	-	389,486
Help Musicians	-	9,000	(9,000)	-	-
	<b>515,095</b>	<b>772,442</b>	<b>(736,806)</b>	<b>-</b>	<b>550,731</b>
<b>Restricted funds: BB Phase 2 - Capital Transformation Project</b>					
Arts Council Capital Funding	-	1,146,329	(1,146,329)	-	-
National Lottery Heritage Fund	-	1,290,915	(1,290,915)	-	-
West of England Combined Authority	-	9,336,000	(8,410,723)	-	925,277
Nisbet Foundation	-	200,000	-	-	200,000
Foyle Foundation	125,000	-	-	-	125,000
Garfield Weston	250,000	-	-	-	250,000
St James Place Foundation	150,000	-	-	-	150,000
John James Bristol Foundation	119,000	-	-	-	119,000
J&M Britton Charitable Trust	225,000	-	-	-	225,000
Wolfson Foundation	250,000	-	-	-	250,000
Quartet Community Foundation	-	20,000	-	-	20,000
Other Capital Funding Sources	624,287	135,781	(384,689)	-	375,379
	<b>1,743,287</b>	<b>12,129,025</b>	<b>(11,232,656)</b>	<b>-</b>	<b>2,639,656</b>
	<b>2,258,382</b>	<b>12,901,467</b>	<b>(11,969,462)</b>	<b>-</b>	<b>3,190,387</b>
<b>Unrestricted funds:</b>					
General fund	157,350	2,417,255	(2,176,147)	190,663	589,121
Designated funds					
- Bristol Plays Music Fund	49,747	-	-	(49,747)	-
- Music Development Fund	50,000	-	-	(50,000)	-
- Bristol Beacon Building Fund	55,000	-	-	(55,000)	-
- Fixed Assets Fund	149,241	-	-	(35,916)	113,325
	<b>461,338</b>	<b>2,417,255</b>	<b>(2,176,147)</b>	<b>-</b>	<b>702,446</b>
<b>Total funds</b>	<b>2,719,720</b>	<b>15,318,722</b>	<b>(14,145,609)</b>	<b>-</b>	<b>3,892,833</b>

## 19. ANALYSIS OF CHARITABLE FUNDS (continued)

	Balance at 01-Apr-19	Income	Expenditure	Transfer between Funds	Funds at 31-Mar-20
	£	£	£	£	£
<b>Restricted funds</b>					
NCIE - Youth Music	63,819	239,787	(212,349)	-	91,257
Music Education Hub	-	558,136	(558,136)	-	-
Earth Song	-	41,030	(22,192)	-	18,838
YCiR	-	4,762	(4,762)	-	-
Open Orchestras	-	3,372	(3,372)	-	-
Artist Development	9,212	32,990	(42,202)	-	-
Grant Anchor Society	-	5,000	-	-	5,000
Paul Hamlyn Foundation	-	400,000	-	-	400,000
Nisbet One Bristol	-	26,120	(26,120)	-	-
Performing Rights Society Foundation	-	20,000	(20,000)	-	-
	<b>73,031</b>	<b>1,331,197</b>	<b>(889,133)</b>	-	<b>515,095</b>
<b>Restricted funds: BB Phase 2 - Capital Transformation Project</b>					
Arts Council Capital Funding	-	3,282,867	(3,282,867)	-	-
National Lottery Heritage Fund	-	2,139,567	(2,139,567)	-	-
West of England Combined Authority	-	-	-	-	-
Nisbet Foundation	-	-	-	-	-
Foyle Foundation	125,000	-	-	-	125,000
Garfield Weston	-	250,000	-	-	250,000
St James Place Foundation	150,000	-	-	-	150,000
John James Bristol Foundation	-	119,000	-	-	119,000
J&M Britton Charitable Trust	-	225,000	-	-	225,000
Wolfson Foundation	-	250,000	-	-	250,000
Other Capital Funding Sources	697,226	189,129	(262,068)	-	624,287
	<b>972,226</b>	<b>6,455,563</b>	<b>(5,684,502)</b>	-	<b>1,743,287</b>
	<b>1,045,257</b>	<b>7,786,760</b>	<b>(6,573,635)</b>	-	<b>2,258,382</b>
<b>Unrestricted funds:</b>					
General fund	358,008	3,384,812	(3,535,118)	(50,352)	157,350
Designated funds					-
- Bristol Plays Music Fund	49,747	-	-	-	49,747
- Music Development Fund	50,000	-	-	-	50,000
- Bristol Beacon Building fund	55,000	-	-	-	55,000
- Fixed Assets Fund	98,889	-	-	50,352	149,241
	<b>611,644</b>	<b>3,384,812</b>	<b>(3,535,118)</b>	-	<b>461,338</b>
<b>Total funds</b>	<b>1,656,901</b>	<b>11,171,572</b>	<b>(10,108,753)</b>	-	<b>2,719,720</b>

NCIE Youth Music: A continuing grant from the Youth Music Foundation has been allocated to support the project to transform music education in Greater Bristol for children and young people with SEND.

Music Education Hub: Arts Council England funding towards the cost of delivery of music education hub activity. Funding is utilised in the financial year to which it relates.

Earthsong: A grant from a private foundation to provide instrumental teaching in primary schools across Bristol.

Open-Up Orchestras: Funds have been received from the Nisbet Foundation in support of licencing fee costs for setting up Open Orchestras in Bristol schools, giving opportunities to young disabled people to perform.

Artist Development: Several trust and foundation grants support this programme to strengthen progression routes for emerging and developing music creators through performance opportunities, showcase events, industry advice.

Young Companies in Residence: Funding from several trusts and foundations supports the development of youth ensembles Bristol Youth Choir and Bristol Youth Orchestra as Young Companies in Residence at Bristol Beacon.

Paul Hamlyn Foundation: A multi-year grant to support our community development work with hard-to-reach communities to expand music education provision.

Nisbet One Bristol: One Bristol Curriculum supports a city-wide pilot initiative to diversity/decolonise the curriculum, working with Bristol City Council, schools, and arts organisations.

PRS: The Talent Development partnership status with PRSF helps to fund Bristol Beacon's talent pipeline activities such as emerging talent showcases and industry seminars.

### **Bristol Beacon Phase 2 – Capital Transformation Project**

The building refurbishment project has received restricted funds from a range of funders including statutory, donations from individuals, corporate sponsorship and grants from trusts and foundations.

National Lottery Heritage Fund: The funding is from the total grant award of £4.75m and was used for heritage and community projects.

West of England Combined Authority: A grant of £9.3m has been awarded for the project and this represents the second instalment.

Trusts and Foundations funding was received in the year from The Nisbet Trust, the Foyle Foundation, Garfield Weston, St James' Place, J&M Britton, John James and Wolfson Foundations

Other funding received was sourced from an ongoing public giving campaign, major donors, patrons and corporate sponsors.

Bristol Plays Music Fund: A designated fund to support the charity's ongoing educational provision including funding for holiday activities and instrument renewal.

Music Development Fund: A designated fund established to support the ongoing creative development of the Bristol Beacon music programme and audience development strategy and to provide mitigation for the associated financial risks of own promotions within a curated programme.

Bristol Beacon Building Fund: A designated fund to support the Trust's planning for Phase 2 – Capital Transformation Project.



## 20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Fund £	Designated Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 March 2020	157,350	303,988	2,258,382	2,719,720
<b>Group:</b>				
Tangible fixed assets	-	113,325	-	113,325
Current assets	14,691,760	-	3,190,387	17,882,147
Current liabilities	(13,982,502)	-	-	(13,982,502)
Long term liabilities	(120,137)	-	-	(120,137)
<b>Total Net Assets 31 March 2021</b>	<b>589,121</b>	<b>113,325</b>	<b>3,190,387</b>	<b>3,892,833</b>
<b>Company:</b>				
Tangible fixed assets	-	107,557	-	107,557
Investments	1	-	-	1
Current assets	14,601,940	-	3,190,387	17,792,327
Current liabilities	(13,886,915)	-	-	(13,886,915)
Long term liabilities	(120,137)	-	-	(120,137)
<b>Total Net Assets 31 March 2021</b>	<b>594,889</b>	<b>107,557</b>	<b>3,190,387</b>	<b>3,892,833</b>

## ANALYSIS OF NET ASSETS BETWEEN FUNDS PREVIOUS YEAR

	General Fund £	Designated Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 March 2019	358,008	253,636	1,045,257	1,656,901
<b>Group:</b>				
Tangible fixed assets	-	149,241	-	149,241
Current assets	5,425,122	154,747	2,258,382	7,838,251
Current liabilities	(5,141,228)	-	-	(5,141,228)
Long term liabilities	(126,544)	-	-	(126,544)
<b>Total Net Assets 31 March 2020</b>	<b>157,350</b>	<b>303,988</b>	<b>2,258,382</b>	<b>2,719,720</b>
<b>Company:</b>				
Tangible fixed assets	-	139,904	-	139,904
Investments	1	-	-	1
Current assets	5,170,481	154,745	2,258,382	7,583,608
Current liabilities	(4,877,249)	-	-	(4,877,249)
	(126,544)	-	-	(126,544)
<b>Total Net Assets 31 March 2020</b>	<b>166,689</b>	<b>294,649</b>	<b>2,258,382</b>	<b>2,719,720</b>

## 21. RECONCILIATION OF NET MOVEMENTS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Net movement in fund	1,173,114	1,062,819	1,164,532	935,334
Distribution under Gift Aid	-	-	8,582	206,508
Dividend received	-	-	-	-
add depreciation charge	39,781	31,561	36,212	27,775
Deduct interest income	(8,380)	(15,561)	(8,380)	(15,561)
Decrease/(increase) in stock	3,932	833	-	-
(increase)/decrease in debtors	456,472	1,006,567	501,682	991,625
(decrease)/increase in creditors	8,887,723	1,937,377	9,003,256	1,697,955
Cash generated by operating activities	<b>10,552,642</b>	<b>4,023,596</b>	<b>10,705,884</b>	<b>3,843,636</b>

## 22. PENSION COMMITMENTS

During the year, the charity contributed to four pension schemes for its employees and casual workers as appropriate, the Bristol Music Trust Pension Scheme, the National Employment Savings Trust, the Local Government Pension Scheme and the Teachers' Pension Scheme. The total cost for the year amounted to £117,489 (2020: £181,552).

The charity participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its music tutor employees following the transfer of the Bristol Arts and Music Service staff. The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer.

### *Valuation of the Teachers' Pension Scheme*

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 5 March 2019 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge).
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits of £218,100 million, and notional assets (estimated future contributions together with the proceeds for the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million.
- The SCAPE rate, set by HMT, is used to determine the national investment return. The current SCAPE rate is assumed real rate of return is assumed real rate of return is 2.40% in excess of prices and 2.0% in excess of earnings. The rate of real earnings growth is assumed to be 2.20%. The assumed nominal rate of return is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The pension charge for the year includes contributions payable to the TPS of £91,237 (2020: £85,942). The charity has a charge of £20,000 cash deposit, dated 21 August 2013 in favour of NatWest Bank Plc, sufficient to cover three months' contributions to the TPS.

## 23. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2021, the charity was committed to make total future lease payments under operating leases for each of the following periods:

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
In respect of plant and machinery leases due:				
Within 1 year	6,122	13,440	6,122	13,440
In the second to fifth year	4,046	14,515	4,046	14,515
	<b>10,168</b>	<b>27,955</b>	<b>10,168</b>	<b>27,955</b>

## 24. RELATED PARTY TRANSACTIONS

Detail of the relationship with Bristol City Council is provided on page 14.

Cllr Craig Cheney (Deputy Mayor BCC) is the nominated Trustees appointed by BCC.

Louise Mitchell, CEO BMT, is a member of Arts Council England SW Area Council.

During the year the charity made purchases of:

£Nil (2020: £154) from Nisbets PLC. Andrew Nisbet is a Director of this company.

£Nil (2020: £36,612) from DAC Beachcroft from which Tony Cherry retired as partner on 31 March 2019.

£860 (2020: £2,184) from Destination Bristol for which Louise Mitchell is a Trustee for this organisation.

During the year the charity made sales of:

£Nil (2020: £23,720) to Nisbets PLC. Andrew Nisbet is a Director of this company.

£8,640 (2020: £Nil) to DAC Beachcroft from which Tony Cherry retired as partner on 31 March 2019

£1,265 (2020: £1,565) to Merchants Academy. Andrew Nisbet is a Trustee for this company. Included in trade debtors is £2,080 in relation to these sales of which £1,089 remains outstanding at the year-end.

£5,790 (2020: £875) to Cabot Learning Federation. Tony Cherry is a Director of this entity. Included in trade debtors is £2,107 in relation to these sales of which £243 remains outstanding at the year-end.

During the year donations to the Colston Hall Phase 2 – Capital Transformation Project received from Trustees totalled £10,967 (2020: £10,967). During the year further donations of £200,000 (2020: £200,000) were received from Trusts and Foundations controlled by the Trustees.

Bristol Music Trust has a wholly owned subsidiary, BMT Enterprises Ltd (see note 3). Bristol Music Trust charged BMT Enterprises Ltd staff costs of £Nil during the year (2020: £82,113). In 2021 BMT Enterprises Ltd transferred its 2020 profits to the Trust as a gift aid payment to the value of £127,485 (2020: profits transferred of £79,024).