

COMPANY REGISTRATION NUMBER: 07242577
CHARITY REGISTRATION NUMBER: 1143131

MusicPlace North-West Ltd
Company Limited by Guarantee
Unaudited Financial Statements
30 June 2021

MusicPlace North-West Ltd

Company Limited by Guarantee

Financial Statements

Year ended 30 June 2021

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Administration and officers

Registered charity name MusicPlace North-West Ltd

Charity registration number 1143131

Company registration number 07242577

Principal office The Lee Jones Centre
119-133 Limekiln Lane
Liverpool
L5 8SN

Registered office The Lee Jones Centre
119-133 Limekiln Lane
Liverpool
L5 8SN

The trustees	Dr N A Hassan	(Resigned 3 May 2021)
	M J Kelly	
	G Miller - (Chair)	
	K M Wilson	(Resigned 7 October 2021)
	C Meehan	(Resigned 9 July 2020)
	M Brady	(Appointed 14 April 2021)

Coordinator / lead therapist M Clayton

Accounts / admin assistant E Davies

Independent examiner P A Teasdale

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Trustees Annual Report (Including the Directors' Report)

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 30 June 2021.

Structure, governance, and management

The day-to-day activities of MusicPlace North-West Ltd (MPNW) are run by the Co-ordinator, under the direction of the Trustees. The Trustees appoint a Chair from within their ranks to lead the Board of Trustees. The Trustees are all directors of the company and members of the Management Committee. All Trustees volunteer their services and are un-remunerated.

During the year under review, there were four Trustees and changes in appointments are detailed above. Trustees are appointed based on their interest in and knowledge of music therapy. Other considerations include an interest in promoting the awareness of the benefits of music therapy and increasing its availability in the North-West.

MPNW is always looking to recruit additional new Trustees with relevant experience and transferable skills to strengthen the management team. During the year we appointed a new Trustee, Matthew Brady, who brings a wealth of experience in charity finance. We were also supported with our accounts management by a volunteer.

During the pandemic Trustee meetings were more frequent but online.

Objectives and activities

The aims and objectives of MPNW are to use music therapy to bring improvements to mental health and well-being, and people of all ages and abilities, from pre-school age to the over-80s'. Its work is based on the belief that music is a powerful and positive force in many people's lives and that in some way, everyone can respond to it.

Music therapists use music in a specific way to encourage people to interact and communicate so that over time the therapy helps individuals to develop and to fulfil their potential.

We review our aims, objectives, and activities every year. We look at what we achieved and the outcomes of our work during the year under review. This review looks at the success of each key activity and the benefits delivered to the groups of people we are set up to help; and helps us remain focussed on our stated purposes.

We refer to the guidance provided by the Charity Commission on public benefit, when reviewing our aims and objectives, and planning future activities. We consider how planned activities will contribute to the aims and objectives we have set.

Public benefit

The charity's objects, for the public benefit, are as follows:

- The protection and promotion of good health, both physical and mental, by the therapeutic and specific use of music.
- The relief of sickness, and the alleviation of developmental, emotional, and social difficulties, by the therapeutic and specific use of music.

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- The advancement of the education of the public concerning music as a means of therapy and the provision of support for the education and training of music therapists and of other interested professionals and students; and
- The promotion and publication of research concerning the therapeutic use of music as set out in these objects.

Delivery

The charity delivers these public benefits by: -

- consultation sessions for newly referred clients,
- courses of individual and group music therapy sessions,
- short term or long-term therapy according to identified needs, and
- providing bespoke services for individuals unable to make the journey to the music therapy space

Achievements and performance

The principal activities and achievements of the charity during the year under review were as follows:

- MPNW provided a music therapy service in five schools across Merseyside, Cheshire, and Lancashire.

Three of these schools were special schools for children with a range of health and educational needs including communication difficulties, autistic spectrum disorder, severe learning difficulties and physical disabilities.

One was a secondary school for children with social, emotional, and mental health needs (SEM). The beginning of the academic year was impacted by Covid and by a staggered return to school by some children, and by temporary school closures.

The MusicPlace coordinator and therapists worked closely with senior staff to provide face to face sessions in as safe a way as possible.

- In one school online sessions were provided by the MusicPlace therapist for children who were clinically extremely vulnerable, and unable to attend school because of the increased Covid risk for them. These online sessions were very well received by the children and families concerned and provided valuable support to the families during the very stressful time of the pandemic.
 - New work was set up in a primary school which supported children with SEM needs.
 - MPNW continued to provide music therapy services for Mersey Care NHS Trust, which runs a range of Units in Merseyside to support adults with acute and chronic mental health problems, however, this work was very limited during the year because of Covid restrictions. A small number of online group sessions were provided for people with dementia.
 - MPNW continued to provide an online service for individual, privately referred clients. Clients included adults with learning disabilities, physical disabilities, and children with communication difficulties.
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Earlier in 2020 we had adapted our service to fit within the lockdown restrictions, and wherever possible sessions had been moved online. We were successful in a grant application to the Steve Morgan Foundation for funding to support this work. This enabled us to provide much needed equipment for working from home, as well as subsidised sessions for people with limited means.

- Online sessions were also provided at Aintree Hospital Stroke Ward, the music therapist working jointly with speech and language therapists and with the physiotherapists from the Stroke ward team. However, as the Covid pandemic 'peaked', it was difficult for the onsite hospital team to continue to support these sessions and they were postponed.
- Much of our outreach work was disrupted and temporarily postponed during the lockdown period, resulting in a significant loss of income for us, so we began the process of applying for grants to sustain our charity and its work.

As well as our award from the Steve Morgan foundation, we applied successfully to the Government's National Lottery Coronavirus Community Support Fund and to the Merseyside Community Foundation, for funds to support our outreach work and provide some core costs. These grants were fundamental to our survival during the pandemic and our ability to continue to support our vulnerable clients and set up new projects.

- With some of the grant funding we were able to start a new pilot project at a Chester Hospice. In an evaluation of the project using patient and staff questionnaires we received excellent feedback and we began the process of applying for further funding to continue the project.
- We were able to begin a Social Prescribing project, working in partnership with local GPs in Central Liverpool Primary Care Trust. In collaboration with the Link worker GPs, we established a referral pathway so that people who needed some short-term music therapy could have a series of sessions. There was no direct NHS funding for the sessions and this project met a gap in provision.
- Through the grants received, we were able to provide some additional training and Continuing Professional Development for our therapists, which was much needed during the challenging months of the pandemic.

Other MPNW activities continued during 2020-2021 included but were not limited to: -

- supporting the therapy team through supervision and consultations,
- responding to enquiries about music therapy and music therapy training,
- maintaining and strengthening partnerships with other organisations, including L'Arche, the Royal Liverpool University Hospital NHS Trust, and Mersey Care NHS Trust.
- networking and establishing support for our charity from larger charitable organisations e.g., the Small Charities Coalition
- we continued to support the development of future music therapists, continuing our contractual arrangement with a trainee therapist, paid at a lower sessional rate than a qualified therapist and with some paid time for supervision.

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We remain open to enquiries from students regarding research but as a small charity with a small administrative function, it is difficult finding projects that are both mutually beneficial and administratively possible.

The Lee Jones Centre in Limekiln Lane, Liverpool remained closed for its normal activities throughout the year but once it reopens, we will have the opportunity to run bigger group sessions, as well as the opportunity to establish links with the League of Welldoers, a community-based charity who own the Lee Jones building.

We reviewed our financial strategy and identified a need for a new business model. This includes the appointment of a business development manager to take on the role of developing new business opportunities with clients and submitting grant applications. This would release the current music therapist / coordinator to focus more on clinical music therapy work and leading the therapy team.

Accordingly, we submitted a comprehensive application to the National Lottery 'Reaching Communities' Fund for significant funding of £234,000 over a period of 3 years.

This grant would help meet the costs of a business manager/ director, music therapists - including a senior therapist / team leader, administrator, and a bookkeeper, rent for an office and therapy room base, refurbishment of our office and therapy room, insurance, equipment (including IT equipment), additional musical instruments for new projects, continuing professional development (CPD) training for therapists, room hire for training courses, disclosure and barring Service (DBS) checks, general running costs and incidental travel expenses.

Financial Review

The Covid 19 pandemic and ongoing restrictions impacted all MPNW activity and continued to have a massive impact on us as a charity. Throughout the accounting year 2020 to 2021 it was not possible to access our base at the Lee Jones Centre due to the pandemic restrictions, and it was necessary for all administrative work to be done from home by the coordinator and administrator. This prevented us from running inhouse therapy sessions for privately referred clients at our base.

We continue to be grateful to our team for their co-operation, forbearance, application, and determination to keep MPNW running, in such difficult circumstances.

We furloughed our administrator during the beginning months of the accounting period, but apart from a brief furlough during July /August, the coordinator continued in post, in order that we could continue to provide as many of our services as possible for vulnerable people during the pandemic. The Trustees provided some support with administrative tasks while the administrator was furloughed.

In addition to having no access to our MusicPlace offices and Therapy base, NHS departments where we normally provided therapy sessions, were operating under severe restrictions, or closed. Schools were open in September 2020 but often impacted by temporary closures and restrictions.

The restriction of opportunities to deliver music therapy services and to fundraise continued to have a direct adverse impact on MPNW's income generation opportunities, whilst running costs continued largely unabated.

We cut all the discretionary costs we could and focussed on generating grant applications to provide future funding assistance.

On re-opening at the Lee Jones Centre, MPNW activities will be reviewed in line with current guidance on social distancing and the need to maintain a Covid-19-safe working environment for staff, therapists, and clients.

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Our activity levels and turnover are shown in detail in the Statement of Financial Activities included in these statements. These show that operating income fell by 1% but maintained a similar level to 2020, albeit this was at a lower level than previously again due to the pandemic. Expenditures decreased by 4%.

The net result for the year were deficits on our unrestricted fund of £ (7,719) despite the reductions in costs, but with an increase in our restricted fund of £ 1,886 due to grants and donations received, making a total decrease in our combined funds of £ (5,833), a reduction in the deficit in the previous year of £ (7,297).

The unrestricted fund closed with a deficit of £ (12,386) carried forward, and the restricted fund closed with a surplus of £10,526 carried forward, making a total deficit on all funds of £ (1,860), compared to a surplus in 2020 of £ 3,972.

This surplus is represented by net current liabilities of equal amount including a cash balance of £23,639, (2020 £9,856).

By convention since 2020, MPNW maintains prepaid therapy and project monies in a separate deposit account.

As of 30 June 2021, the deposit account includes £18,589 of prepaid income and project grants, compared to £8,578 in 2020.

A charity of this size cannot sustain continuing deficits, but the Trustees are developing a strategy to reverse this trend and secure investment in MPNW to recover from the damage of the pandemic.

The Trustees believe they have a duty to continue to provide for the continuation of therapy services to patients despite these difficult times and are mindful of the advice from the Charity Commission to consider the needs of the patients and the importance of maintaining the delivery of public benefits, when addressing the management of the financial effects of Covid-19.

Recent initiatives

Recent applications in attracting grant aid have been successful and have stabilised the cashflow after the year-end which has largely countered the impact on income caused by the pandemic. However, MPNW still needs to grow its income and reach, to achieve a sustainable critical mass, as the demand for our services continues to grow exponentially as pressure on mental and physical health increase dramatically in current times.

To assist, the Trustees now meet on Zoom more regularly to discuss finances and income generation, and a specialist accounting assistant has been employed to improve our financial control.

Together with the introduction of a modern accounting package last year, the Trustees and Co-ordinator can now maintain a much closer eye on the financial position.

Employment of disabled persons

It is the company's policy to give employment to disabled persons wherever practicable. At present none of our staff is registered disabled.

Reserves policy

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The Trustees are responsible for utilising the reserves to the best advantage of MPNW and its stakeholders.

The Trustees have maintained a policy of maximum flexibility of reserves so that unless specifically designated as being restricted funds, all other funds are available to meet on-going costs.

This policy accorded with the Trustee's understanding of advice from the Charity Commissioners to repurpose funds where appropriate, to best advantage, to help deal with the impact of Covid-19.

Funding

Our principal funding sources consist of both funds for restricted purposes targeted at specified therapy delivery, and funds for general purposes. Income is also received from the delivery of therapy services to public sector caring agencies under contracts.

We are dependent on funding from grants and contracts from public sector service users.

Cash Flow

During the year and subsequently, the cash position remains an important metric, and is constantly reviewed by the Trustees with a short-term forecast at every meeting of the management team. The cash flow during the year has been positive due to successful grant applications by the coordinator.

Political and charitable donations

No charitable donations were made during the period. No contributions to political organisations were made during the period.

Exemptions from disclosure

There were no exemptions from disclosure applicable to any Trustee or employee of MPNW.

Custodian funds

MPNW does not have any custodian funds and no Trustee/Director or other member of staff holds any assets personally on behalf of the charity or on behalf of any other third parties.

Material uncertainty and going concern

The financial impacts of Covid-19 weakened MPNW and created material uncertainty for MPNW. Being locked out of its premises since the pandemic started damaged fund raising and the generation of income from delivering therapies.

These factors require the Trustees to consider whether the MPNW is a "going concern" for the foreseeable future.

There is a high bar to depart from a going concern basis of accounting being the appropriate basis, and it is possible to have material uncertainties but still be classed as a "going concern".

The material uncertainties faced by MPNW include the following matters: -

Ability to deliver therapies

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The imminent reopening of our own premises for individual music therapy sessions will generate income based on our existing network, and new work through community engagement, and social prescribing. In addition, schools and hospitals are now operating normally.

Grant application outcomes

The charity remains dependent on fundraising, donations, and charitable grants from larger charitable bodies, and this will continue. MPNW has a history of being funded by income from clients but also by grants from various sources. It has a history of successful grant applications.

Over the years these grants have been central to maintaining low costs for clients, who are often themselves dependent on social/financial support. These take time and resource to apply for and the outcomes are not guaranteed. However, success on applying for grants during the year has allowed MPNW to survive and adapt, in what is an unprecedentedly difficult period. The significant grant funding generated reflects the confidence of others in the work and purpose of the charity.

That said, the inherent uncertainty of the outcome of grant applications, means cashflow is difficult to predict.

Recently, a large grant application has been successful in raising £30,000 from Liverpool City Council to fund a project called music For Living aimed at Clinically Extremely Vulnerable people from April 2021. This will cover core costs well into 2022 and beyond and allow for some investment in better capabilities. We are hopeful of further grants from future bids, based on our recent successes.

Lack of scale

MPNW is small and suffers from a lack of administrative and marketing resource. There are competing demands on the Co-ordinator's time, between providing therapy or dealing with urgent administrative and marketing tasks.

- The lack of critical mass provides limited resilience to cope with unexpected demands.
- A lack of margin achieved in sales to clients compared to the costs of providing the therapeutic services. School and NHS budgets remain under pressure, putting MPNW in a weak negotiating position.

Therefore, MPNW is forced to continually replenish its grant funding and to try and increase the margin on the services it provides. The material uncertainties derive from the chronic nature of these challenges.

Going concern

As a "not for profit", the intention of the charity is to remain solvent whilst maximising the therapeutic services that can be delivered within the means available. This requires managing MPNW such that it can sustain operations into the future, for the benefit of future beneficiaries. To achieve this, the Trustees continually evaluate the financial condition and solvency of the charity.

These financial statements have been prepared on a going concern basis although the Trustees acknowledge that there are material uncertainties caused by the Covid-19 pandemic.

The Trustees rationale for the adoption of the going concern basis is based on the following evidence:

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- The Trustees have no intention to liquidate or cease trading and believe that some funding applications are likely to succeed. The Trustees expect that they will not be successful in all their applications but that they will be successful in enough of their applications to assist cashflow until paid sessions can resume.
- MPNW has minimal fixed costs and liabilities, which gives the trustees the confidence that the situation is manageable.
- The Trustees believe they have a duty to continue to provide for the continuation of therapy services to patients despite this being the most difficult extended period operationally, in MPNW's history.
- The Trustees have prepared post year-end management accounts, and cash flow forecasts, which are regularly updated and reviewed to confirm that MPNW remains a going concern and can meet its obligations as they fall due.
- MPNW operates in credit, carries no long-term debt, and although it has a small net deficit, the Trustees believe this situation can be rectified in the following year.
- Donations received are without recourse, with most being available to support our core operations. Stimulating donations will be much easier once the MPNW premises reopen.
- The Trustees are progressing their plans for a new operating model, funded by grant income to address capacity and capability constraints and develop more robust income generation.

Independent Financial Examiner

Paul Teasdale FCA was re-appointed as the Independent Financial Examiner

Trustee's responsibilities

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

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the applicable Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The trustees' annual report (incorporating the directors' report) was approved on 29 April 2022 and signed on behalf of the board of trustees by:



G Miller
Chair of Trustees


Mary Clayton (Apr 29, 2022 16:49 GMT+1)

M Clayton
Charity secretary and co-ordinator

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Independent Examiner's Report to the Trustees

I report to the Trustees on my examination of the financial statements of MusicPlace North-West Ltd ('the charity') for the year ended 30 June 2021.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act: or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination: or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Trustees Report draws attention to the existence of certain material uncertainties but concludes that after appropriate enquiry, the going concern basis is the appropriate one on which to draw up these accounts. I have reviewed their work and concur with their conclusion. I have no other concerns, nor have I come across any other matters in connection with the examination to which attention should be drawn in this report to enable a proper understanding of the accounts to be reached.

Paul Teasdale

Mr P A Teasdale FCA
Independent Financial Examiner

Dated 29 April 2022

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Statement of Financial Activities (including income and expenditure account)

Year ended 30 June 2021

		Unrestricted funds £	2021 Restricted funds £	Total funds £	2020 Total funds £
	Note				
Income and endowments					
Donations and legacies	5	2,144	1,886	4,030	299
Charitable activities	6	49,005	–	49,005	53,647
Investment income	7	1	–	1	10
Total income		<u>51,150</u>	<u>1,886</u>	<u>53,036</u>	<u>53,956</u>
Expenditure					
Expenditure on charitable activities	8,9	58,869	–	58,869	61,253
Total expenditure		<u>58,869</u>	<u>–</u>	<u>58,869</u>	<u>61,253</u>
Net expenditure and net movement in funds		<u>(7,719)</u>	<u>1,886</u>	<u>(5,833)</u>	<u>(7,297)</u>
Reconciliation of funds					
Total funds brought forward		(4,667)	8,640	3,973	11,269
Total funds carried forward		<u>(12,386)</u>	<u>10,526</u>	<u>(1,860)</u>	<u>3,972</u>

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

The notes on pages 14 to 20 form part of these financial statements.

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Statement of Financial Position

30 June 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	15	2,070	241
Current assets			
Debtors	16	2,586	3,629
Cash at bank and in hand		23,639	9,856
		<u>26,225</u>	<u>13,485</u>
Creditors: amounts falling due within one year	17	30,155	9,754
Net current liabilities		<u>(3,930)</u>	<u>3,731</u>
Total assets less current liabilities		<u>(1,860)</u>	<u>3,972</u>
Net liabilities		<u>(1,860)</u>	<u>3,972</u>
Funds of the charity			
Restricted funds		10,526	8,639
Unrestricted funds		<u>(12,386)</u>	<u>(4,667)</u>
Total charity funds		<u>(1,860)</u>	<u>3,972</u>

For the year ending 30 June 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

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

These financial statements were approved by the board of trustees and authorised for issue on 29 April 2022, and are signed on behalf of the board by:

G. Miller

G Miller
Chair of Trustees


Mary Clayton (Apr 29, 2022 16:49 GMT+1)

M Clayton
Charity secretary and co-ordinator

The notes on pages 14 to 20 form part of these financial statements.

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Notes to the Financial Statements *(continued)*

Year ended 30 June 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is The Lee Jones Centre, 119-133 Limekiln Lane, Liverpool, L5 8SN.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, Charities SORP (FRS 102), and Companies Acts 2006.

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(a) Basis of preparation

The financial statements have been prepared on the historical cost basis.

(b) Going concern

There are material uncertainties, but the Going Concern basis has been adopted as the most appropriate.

(c) Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- No cash flow statement has been presented for the company.
- Disclosures in respect of financial instruments have not been presented.

(d) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(e) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for a particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal and fall into one of two sub-classes: restricted income funds or endowment funds.

(f) Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to categories of income:

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Notes to the Financial Statements *(continued)*

Year ended 30 June 2021

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable, and its amount can be measured reliably.
- legacy income is recognised when receipt is probable, and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as designated funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

(g) Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable, and consistent basis.

(h) Tangible assets

An increase in the carrying amount of an asset because of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset because of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

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Notes to the Financial Statements *(continued)*

Year ended 30 June 2021

(i) Depreciation

Depreciation is calculated to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Musical instruments	-	25% reducing balance
Office equipment	-	25% reducing balance

4. Limited by guarantee

MusicPlace North-West Ltd is a charitable company, limited by guarantee. It was first incorporated as a Community Interest Company on 4th May 2010 and began trading on 16 July 2010. It became a company limited by guarantee on 27 July 2011 with a Memorandum of Association to establish the objects and powers of the charitable company and Articles of Association setting out its governance. In the event of the company being wound up, the members are required to contribute an amount not exceeding £10.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations received unrestricted	2,144	—	2,144
Donations received restricted	—	1,886	1,886
	<u>2,144</u>	<u>1,886</u>	<u>4,030</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Donations received unrestricted	143	—	143
Donations received restricted	—	156	156
	<u>143</u>	<u>156</u>	<u>299</u>

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Notes to the Financial Statements *(continued)*

Year ended 30 June 2021

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Therapy online	—	—	—
Therapy outreach	46,998	—	46,998
Miscellaneous income	2,007	—	2,007
Room hires	—	—	—
	<u>49,005</u>	<u>—</u>	<u>49,005</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Therapy online	9,092	—	9,092
Therapy outreach	36,877	5,159	42,036
Miscellaneous income	2,479	—	2,479
Room hires	40	—	40
	<u>48,488</u>	<u>5,159</u>	<u>53,647</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Bank interest receivable	<u>1</u>	<u>1</u>	<u>10</u>	<u>10</u>

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Music therapy online and outreach	36,983	—	36,983
Support costs	21,886	—	21,886
	<u>58,869</u>	<u>—</u>	<u>58,869</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Music therapy online and outreach	34,129	6,676	40,803
Support costs	20,448	—	20,450
	<u>54,577</u>	<u>6,676</u>	<u>61,253</u>

MusicPlace North-West Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2021

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Music therapy online and outreach	<u>36,983</u>	<u>21,886</u>	<u>58,869</u>	<u>61,253</u>

10. Analysis of support costs

	Analysis of support costs activity 1 £	Total 2021 £	Total 2020 £
Staff costs	17,540	17,540	16,916
Premises	2,759	2,759	2,576
Communications and IT	—	—	299
General office	1,510	1,510	597
Finance costs	<u>78</u>	<u>78</u>	<u>60</u>
	<u>21,887</u>	<u>21,887</u>	<u>20,448</u>

11. Net expenditure

Net expenditure is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	<u>690</u>	<u>80</u>

12. Independent examination fees

	2021 £	2020 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>—</u>	<u>--</u>

13. Staff costs

The average head count of employees during the year was 7 (2020: 7). The average number of full-time equivalent employees during the year is analysed as follows:

	2021 No.	2020 No.
Number of staff - Therapists, contracted by the hour as required	5	5
Number of staff - Therapist/Co-ordinator	1	1
Number of staff - Administrative staff part time for 1.5 days per week	<u>1</u>	<u>1</u>
	<u>7</u>	<u>7</u>

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

MusicPlace North-West Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2021

14. Trustee remuneration and expenses

During the year, the Trustees continued to donate their time and services on a voluntary basis and received no remuneration or other benefits from employment with the charity or any related entity.

15. Tangible fixed assets

	Plant and machinery £	Office equipment £	Total £
Cost			
At 1 July 2020	5,888	2,335	8,223
Additions	1,880	639	2,519
Disposals	–	(2,335)	(2,335)
At 30 June 2021	7,768	639	8,407
Depreciation			
At 1 July 2020	5,647	2,335	7,982
Charge for the year	530	160	690
Disposals	–	(2,335)	(2,335)
At 30 June 2021	6,177	160	6,337
Carrying amount			
At 30 June 2021	1,591	479	2,070
At 30 June 2020	241	–	241

16. Debtors

	2021 £	2020 £
Trade debtors	2,586	1,150
Other debtors	–	2,479
	2,586	3,629

MusicPlace North-West Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 June 2021

17. Creditors: amounts falling due within one year

	2021 £	2020 £
Payments received on account	29,182	–
Trade creditors	730	–
Accruals and deferred income	230	9,411
Social security and other taxes	13	292
Other creditors	–	51
	<u>30,155</u>	<u>9,754</u>

18. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £298 (2020: £422).












MPNW Draft AA 2021 v3

Final Audit Report

2022-04-30

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