

Charity Registration No. 1148615

Company Registration No. 08123495 (England and Wales)

LOVE MUSIC TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

LOVE MUSIC TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J Cowell G M Merry S I Burns S Isherwood J P Savage J D Hill Mr P Sharp Mr R Dakin
Secretary	D Osborne
Charity number	1148615
Company number	08123495
Principal address	Unit 2, Bradwall Court Bradwall Road Sandbach Cheshire CW11 1GE
Registered office	Unit 2, Bradwall Court Bradwall Road Sandbach England CW11 1GE
Independent examiner	Fran Johnson BSc FCA WR Partners Drake House Gadbrook Park Northwich Cheshire CW9 7RA

LOVE MUSIC TRUST

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LOVE MUSIC TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their report and financial statements for the year ended 31 August 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

LOVE MUSIC TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

The Love Music Trust (LMT) is committed to providing access to high quality music education and exposure to outstanding musical experiences to all pupils in Cheshire East. The LMT is owned, led and managed by schools, and supported by carefully chosen key partners within the local community. The Trust will build on and extend the excellent practice of many schools throughout Cheshire East. This high quality work needs to be developed and applied systematically for every young person.

The Objectives of the Trust are as follows:

1. To offer a broad music education curriculum entitlement for all pupils which, as a minimum, fulfils the requirements outlined within the National Plan for Music Education (NPME);
2. To recruit, train and manage a team of instrumental tutors to deliver the Trust's various musical activities;
3. To support, facilitate and manage clear progression routes for all young musicians through the musical activities of the Trust, and through forging and consolidating close links with other agencies as appropriate, including the Royal Northern College of Music (RNCM), Keele University, Manchester Metropolitan University and national music organisations such as the National Youth Orchestra, National Youth Jazz Orchestra, National Youth Brass Band Great Britain;
4. To provide an extensive programme and support of extra-curricular musical activities in a range of genres, for young vocalists and instrumentalists across the whole of Cheshire East;
5. To provide an instrumental store that facilitates the needs of young instrumentalists in the borough;
6. To provide a delivery model that is both fit for purpose and offers 'value for money'
7. To support partner ensembles across Cheshire East to become national beacons of excellence;
8. To initiate and sustain positive links with all primary schools through the offer of the wider opportunities, continuation programmes and other initiatives;
9. To provide a framework of Continuing Professional Development (CPD) for all classroom, instrumental staff and ensemble leaders.
10. To identify and support emerging talent in a personalised and differentiated way;
11. To create and develop a vocal strategy that will encourage greater involvement with and participation in high level singing activities across Cheshire East;
12. To exploit the potential of new technologies to transform approaches to music education through web based media and through key partnerships,
13. To develop new approaches to the recruitment and training of new music teachers through the links with the Teaching School network and Manchester Metropolitan University (MMU).
14. To forge and maintain links to the work of professional artists and other professional music organisations, thereby creating a culture of aspiration in the work of the trust;
15. To explore new ways to support schools and young people and their musical journey throughout the Covid 19 pandemic, including but not exclusively limited to online delivery and provision.

The LMT is supported by key partners. Working collaboratively with its various partners, LMT will offer music education services to all primary, secondary and special schools within Cheshire East. It will fulfil the core and extension roles outlined within the National Plan for Music Education and deliver all the expected aims and outcomes. The LMT will ensure that provision is available for all children, with appropriate provision for those children identified as vulnerable.

LOVE MUSIC TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

The activities of The Love Music Trust may be summarised by a number of core roles which are listed below.

1. First Access (Wider Opportunities)
2. Ensembles
3. Continuation
4. Singing

These core roles are supported by a number of extension roles as outlined below:-

1. Continued Professional Development
2. Instrument Loan Service
3. High Quality Musical Experiences
4. Schools Music Education Plan (Quality Assurance)

Public Benefit

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. Love Music Trust provides a benefit to the public through the provision of a quality music education for over 10,000 pupils across all Primary, Secondary and Special Schools throughout Cheshire East.

The Trustees confirm that they have had due regard for the guidance published by the Charity Commission on public benefit.

Grant making policy

Grants are offered to all primary schools in the East Cheshire area as a financial incentive to sign up for the Wider Opportunities programme. The school works as the commissioner of services, not necessarily having to engage the LMT to deliver the programme, however all who accept the grant sign up to the Quality Assurance Programme. Additionally, grants are offered to all secondary and special schools for programmes of new musical activity.

LOVE MUSIC TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Achievements and performance

- 93 (of 124) Cheshire East Primary Schools engaged with the First Access Music programme across the Academic year, up on 2020 - 21.
- 124 (of 124) Cheshire East Primary Schools engaged with one or more of the four core roles as set out in the National Plan for Music Education.
- 21 (of 21) Cheshire East Secondary Schools accepted the LMT new musical activity grant, working in partnership with the LMT.
- 7 (of 9) Special schools accepted the LMT new musical activity grant, working in partnership with the LMT.
- The LMT ensembles network now engages over 1000 students in weekly ensemble and choir rehearsals throughout Cheshire East.
- Effective partnership working with the Royal Northern College of Music (RNCM) and Sandbach School developing the Cheshire Specialist Music Course for gifted A-level music students. This is the first time the RNCM has partnered with a state school and a music education hub to create such a course. 8 students enrolled for the inaugural year of which 5 were offered places at Music Conservatoires. Currently there are 6 students in year 13, and 4 in year 12.
- The 'Life on Re: Shuffle' programme supported by a Youth Music grant worked with young people in the borough who are NEET, in or on the fringes of the Youth Justice system and home educated. This included workshops and presentations with mainstream young people including vulnerable groups, working on the 'Armchair Adventures' Radio Podcast production.
- The LMT continued the partnership development with Keele University for the 'Keele University Composer Fellowship' where third year students at Keele have the opportunity to compose for LMT ensembles. A composition was written for the LMT Senior Big band to be premiered at Clonter Opera, Congleton in June 2020 however due to Covid, the premier has been postponed for the foreseeable future.
- Noteworthy is the LMT 'additional needs orchestra'. Established in September 2019, the orchestra met monthly at Church Lawton Autism Specialism school welcoming any young people with an interest in music who may have additional needs. Due to COVID, the group stopped rehearsing in March 2020 however is set to reconvene in October 2021.
- Regrettably due to COVID, the planned 5th year of the Cheshire East Young Musician of the year competition was cancelled in March 2021. This is now scheduled for March 2022.
- For a second year due to COVID, the annual Halle 'Come and Play' was cancelled (June 2021). We are however delighted that the young people of Cheshire East will once again perform alongside the Halle on June 23rd 2022.

LOVE MUSIC TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

- In response to COVID, the annual LMT Summer Celebration Weekend had been planned to take place at Gawsworth Hall due to the outside staging. However, due to a spike locally in infection rates, the Celebration event was cancelled a week before the performance date. The LMT would normally welcome 1000 young musicians and vocalists to perform across the weekend. In response ensembles recorded a selection of their pieces during rehearsals which were then streamed in an online virtual concert, on YouTube.

-The conclusion of the EYFS 'Betty Bear' musical development programme and a Teddy Bears picnic for nursery and KS1 students who take part in singing and other musical activities was scheduled to take place at Lakemore Farm (Sandbach). Again due to Covid this was unable to take place.

- Through partnership working with Brighter Sound (Manchester) and Phil Howley, the LMT developed a young practitioner's pathway for 16-19-year-old students run in conjunction with South Cheshire College.

-The LMT worked in partnership with Conductive Music from March – July 2021 to run a series of programmes focusing on composing, computer programming and storytelling for gaming. Six schools were involved in the programme.

- 6 online CPD courses ran for Primary School Music coordinators and NQT's online throughout 2020/21.

- The LMT Singing programme, 'Sing Fest' engaged 15 schools in 2020/21 however the planned celebratory performances at venues across Cheshire East were unable to proceed due to COVID.

Financial review

Review of financial position

The Love Music Trust has received a grant of £484,378 for 2020/21 from The Arts Council England. Income is also generated from parental contributions for music tuition, contributions from schools for musical tuition and support, ticket sales from concerts, and selling and hiring of instruments.

The unrestricted funds for the year show a surplus of £8,863 after taking into account transfers to restricted funds of £16,440 for the purchase of fixed assets.

The unrestricted funds at 31 August 2021 are £180,046 (2020: £171,183).

The Trustees review the levels of resources throughout the period. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves.

The Trustees' policy is to carry forward a prudent level of resources to support the effective delivery of music education into the future. The level of reserves will be kept under regular review. In carrying out this review the Trustees will consider any potential changes to future funding levels. Funding from Arts Council has been secured until 31st March 2022. The business plan includes a detailed budget showing how these funds will be fully utilised.

LOVE MUSIC TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees have assessed the major risks to which the charitable company is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

LOVE MUSIC TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Future plans

The LMT worked with Arts Council England in the production of 'Stabilisation Plans' throughout the pandemic in the wake of the COVID challenges.

The list below outlines the aspirations for The Trust over coming months: -

- For 2021/22 all Primary schools in the borough have again been offered a grant to support First Access programmes and an additional grant to support continuation the level of which is based on numbers on the school roll.
- All Cheshire East Secondary and Special Schools have again been offered a grant to support new musical activity.
- A partnership with the Royal Northern College of Music and Sandbach school will continue into its third year, supporting the Cheshire Specialist Music Course. The course continues to cater for highly talented A-Level music students interested in a career based in musical performance.
- Small Group and Instrumental lessons (SG&I) have again been advertised to schools/pupils and parents, as we continue developing a tutor base with the skills and capacity to deliver this programme. Whilst the facility to deliver sessions online (mostly via zoom) had been embraced by tutors the vast majority of tuition is once again delivered to face to face.
- The LMT is working in partnership with Music Action International and Cheshire East LA to deliver a 10-week programme for asylum seekers. Based at the YMCA in Crewe, the programme will work with 8-10 young asylum seekers from countries including Syria, Eritrea, Kurdistan and Ethiopia.
- In partnership with Cheshire East Special Schools the LMT will reconvene 'Noteworthy', our additional needs Orchestra. Based at Church Lawton School and starting in October, Noteworthy will again provide a regular collective music opportunity for young people with SEN. It is hoped that despite challenges of COVID, the group will find a safe and secure way to once again meet.
- Additionally for 2021/22 a Noteworthy assisted needs Choir is to be established, based at the Elim Church in Nantwich.
- The LMT Curriculum Lead and Ensembles administrator have started delivering a weekly early year's musical development class. Based at St. Mary's Church Sandbach, there are two weekly sessions; Noteworthy Preschool (smaller classes for children with additional needs) and 'Tuneful Tots' (for children aged 18 months – 4 years).
- Through ongoing needs analysis CPD courses will continue to be identified whilst for 2021 a discounted CPD membership package has been offered to schools

LOVE MUSIC TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

- LMTs cost effective instrument loan service will continue to be promoted. Additionally, for students continuing to learn following First Access programmes, the cost of instrumental loans has been kept to a minimum to help support engagement.
- The Trust will continue to engage with the range of international artists that work in the North West and further afield supporting them to run master classes with young people.

LOVE MUSIC TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management

Governing document

The charitable company is a company limited by guarantee and is controlled by its governing document, the Memorandum & Articles of Association and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

J Cowell

G M Merry

S I Burns

S Isherwood

J P Savage

J D Hill

Mr P Sharp

Mr R Dakin

Recruitment and appointment of new trustees

The minimum number of Trustees shall be 3 and the maximum number of Trustees shall be 9.

The majority of Trustees must not be Sandbach School Governors.

Where possible the Trustees will include the following:-

- One representative from Cheshire East Council
- One Sandbach School Governor
- One Headteacher from a secondary school in the region
- One Headteacher from a primary school in the region
- The Headteacher of Sandbach School

The criteria for the above have been met by the current membership. Trustees have varied and broad skills basis, and efforts have been made during the year to recruit Trustees to further bolster this skill set. Trustees are recruited from Headteachers network and music professionals who already have a close relationship with the Trust.

Organisational structure

During the year, John Barber directed the day to day running of The Love Music Trust. He was supported as part of the management team by Sarah Burns (Headteacher Sandbach School) and David Osborne (Sandbach School Business Manager) as Financial Advisor.

LOVE MUSIC TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Induction and training of new trustees

New Trustees are provided with an overview of Trustees and their skill set and background. They are also briefed on the business plan of the Trust and have open access to Directors to ask questions. New Trustees are also provided with all papers, minutes and agendas from previous Board meetings. Trustees are also invited to Love Music Trust events, and are consulted with as and when the need arises about specific issues.

Wider network

In May 2012, an application was made to The Arts Council by Sandbach School which was supported by Cheshire East Council, for Sandbach School to host a new music education hub, The Love Music Trust is the lead organisation and fund holder for the music education hub in Cheshire East and is based at Bradwall Court in Sandbach.

This year the Love Music Trust will be working with over 10,000 pupils across all Primary, Secondary and Special Schools throughout Cheshire East. Across Cheshire East, The Love Music Trust is the single largest provider of music education with a comprehensive quality assurance programme.

Related parties

Certain trustees are associated with and can exercise significant influence over entities with which the charity receives and provides goods and services from/to. Where this occurs the associated entities are declared on the trustees' register of business interests. The transactions are disclosed in the related party note to the accounts.

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



J P Savage

Trustee

Dated: 18 November 2021

LOVE MUSIC TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF LOVE MUSIC TRUST

I report to the trustees on my examination of the financial statements of Love Music Trust (the charitable company) for the year ended 31 August 2021.

Responsibilities and basis of report

As the trustees of the charitable 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 financial statements of the charitable 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 charitable company's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

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

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

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

LOVE MUSIC TRUST

INDEPENDENT EXAMINER'S REPORT (CONTINUED)

TO THE TRUSTEES OF LOVE MUSIC TRUST



Fran Johnson BSc BFP FCA
WR Partners
Chartered Accountants & statutory auditor
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

Dated: 18 November 2021

LOVE MUSIC TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
Income and endowments from:							
Donations and legacies	3	110,808	387,504	498,312	97,638	386,938	484,576
Charitable activities	4	306,898	-	306,898	324,942	-	324,942
Investments	5	50	-	50	384	-	384
Other income	6	864	1,765	2,629	864	-	864
Total income		418,620	389,269	807,889	423,828	386,938	810,766
Expenditure on:							
Charitable activities	7	393,317	417,206	810,523	422,713	355,380	778,093
Net incoming/ (outgoing) resources before transfers		25,303	(27,937)	(2,634)	1,115	31,558	32,673
Gross transfers between funds		(16,440)	16,440	-	(15,676)	15,676	-
Net income/ (expenditure) for the year/ Net movement in funds		8,863	(11,497)	(2,634)	(14,561)	47,234	32,673
Fund balances at 1 September 2020		171,183	160,535	331,718	185,744	113,301	299,045
Fund balances at 31 August 2021		180,046	149,038	329,084	171,183	160,535	331,718

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

All income and expenditure derive from continuing activities.

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

LOVE MUSIC TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12		98,378		104,959
Current assets					
Debtors	13	16,896		14,728	
Cash at bank and in hand		305,452		305,585	
		<u>322,348</u>		<u>320,313</u>	
Creditors: amounts falling due within one year	14	<u>(91,642)</u>		<u>(93,554)</u>	
Net current assets			230,706		226,759
Total assets less current liabilities			<u>329,084</u>		<u>331,718</u>
Income funds					
Restricted funds	16	149,038		160,535	
Unrestricted funds		180,046		171,183	
		<u>329,084</u>		<u>331,718</u>	

LOVE MUSIC TRUST

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2021.

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

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

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

The financial statements were approved by the Trustees on 18 November 2021



J P Savage
Trustee

Company Registration No. 08123495

LOVE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Charity information

Love Music Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Unit 2, Bradwall Court, Bradwall Road, Sandbach, England, CW11 1GE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charitable company is a Public Benefit Entity as defined by FRS 102.

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

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

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

1.4 Incoming resources

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

LOVE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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

LOVE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

1.6 Tangible fixed assets

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

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

Fixtures, fittings and media	15% reducing balance
Computers	33% straight line
Instruments	12.5% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

LOVE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.9 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

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

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

LOVE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.11 Retirement benefits

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

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Donations and gifts	8,735	-	8,735	904	-	904
Grants received	102,073	387,504	489,577	96,734	386,938	483,672
	<u>110,808</u>	<u>387,504</u>	<u>498,312</u>	<u>97,638</u>	<u>386,938</u>	<u>484,576</u>
Grants receivable for core activities						
Arts Council Grant	96,874	387,504	484,378	-	483,672	483,672
Cheshire East Council - Summer School	5,199	-	5,199	-	-	-
Other	-	-	-	96,734	(96,734)	-
	<u>102,073</u>	<u>387,504</u>	<u>489,577</u>	<u>96,734</u>	<u>386,938</u>	<u>483,672</u>

LOVE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Charitable activities

	Continuation 2021 £	CPD/SMEP 2021 £	Ensembles 2021 £	First Access 2021 £	HQMEInstruments 2021 £	Singing 2021 £	Total 2021 £	Total 2020 £
Income from tuition	85,930	28,937	12,931	145,699	550	-	280,266	267,243
Armchair Adventures	-	5,220	-	-	-	-	5,220	24,215
Sales of goods and services	-	1,312	-	-	605	19,495	21,412	33,484
	85,930	35,469	12,931	145,699	1,155	19,495	306,898	324,942

5 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Interest receivable	50	384

6 Other income

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £
Net gain on disposal of tangible fixed assets	-	1,765	1,765	-
Other income	864	-	864	864
	864	1,765	2,629	864

LOVE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

7 Charitable activities

	Continuat on	2021 £	CPD/SMEP 2021 £	Ensembles 2021 £	First Access 2021 £	HQME 2021 ^s £	Instrument 2021 £	Singing 2021 £	Total 2021 £	Total 2020 £
Staff costs		6,030	41,356	20,399	13,156	20,462	9,375	45,650	156,428	125,554
Depreciation and impairment		-	-	-	-	-	21,606	-	21,606	24,018
Tutor charges		74,334	37,847	2,299	117,132	4,548	-	2,874	239,034	221,474
Instrument costs		-	-	500	-	-	5,226	-	5,726	6,948
Venue/event costs		-	1,604	4,158	-	1,580	-	-	7,342	7,037
Music direction		-	-	28,576	-	-	-	-	28,576	30,954
Travel and Subsistence		8	409	398	148	556	2,397	421	4,337	6,380
Training and quality assurance		-	3,943	-	-	-	-	-	3,943	587
Commissioned partner costs		-	-	18,568	-	-	-	-	18,568	18,700
Marketing		-	268	-	-	-	-	127	395	761
Sundry		-	2,251	4,456	258	76	-	624	7,665	4,429
Music purchases		1,443	1,959	2,299	-	4,600	550	10,414	21,265	6,691
Community project consultancy		-	20,220	-	-	-	-	-	20,220	29,215
Remissions		2,811	-	4,271	-	-	1,545	-	8,627	10,239
		84,626	109,857	85,924	130,694	31,822	40,699	60,110	543,732	492,987
Grant funding of activities (see note 8)		14,445	28,000	-	33,275	-	-	-	75,720	76,915
Share of support costs (see note 9)		32,680	36,592	24,836	44,936	14,414	17,082	17,655	188,195	204,451
Share of governance costs (see note 9)		499	559	380	687	220	261	270	2,876	3,740
		132,250	175,008	111,140	209,592	46,456	58,042	78,035	810,523	778,093

LOVE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Grants payable

	Continuation	CPD/SMEP	First Access	Total	Total
	2021	2021	2021	2021	2020
	£	£	£	£	£
Grants to institutions:					
Grants to Schools	14,445	28,000	33,275	75,720	76,915

Grants are paid to schools for the purpose of music education.

9 Support costs

	Support costs	Governance costs	2021	2020
	£	£	£	£
Staff costs	140,672	-	140,672	165,032
Depreciation	3,180	-	3,180	713
Insurance	4,932	-	4,932	4,732
IT software & consumables	5,962	-	5,962	4,085
Sundry	760	-	760	1,032
Postage & stationery	2,429	-	2,429	2,977
Rent and premises costs	12,732	-	12,732	11,439
Repairs & renewals	7,065	-	7,065	4,044
Telephone & internet	3,708	-	3,708	3,638
Staff development	360	-	360	360
Advertising	155	-	155	159
Professional fees	6,240	-	6,240	6,240
Legal and professional	-	300	300	1,990
Independent examination fee	-	2,576	2,576	1,750
	188,195	2,876	191,071	208,191
Analysed between				
Charitable activities	188,195	2,876	191,071	208,191

LOVE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

11 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Management	2	2
Charitable activities	2	2
Support	3	3
Total	7	7

Employment costs	2021 £	2020 £
Wages and salaries	238,558	235,286
Social security costs	19,968	19,743
Other pension costs	38,574	35,557
	297,100	290,586

There was 1 (2020: 0) employee whose annual remuneration was £60,000 or more.

LOVE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Tangible fixed assets

	Fixtures, fittings and media	Computers	Instruments	Total
	£	£	£	£
Cost				
At 1 September 2020	19,518	12,989	346,974	379,481
Additions	-	2,976	15,318	18,294
Disposals	-	-	(1,344)	(1,344)
At 31 August 2021	19,518	15,965	360,948	396,431
Depreciation and impairment				
At 1 September 2020	9,432	11,543	253,546	274,521
Depreciation charged in the year	1,513	1,667	21,606	24,786
Eliminated in respect of disposals	-	-	(1,254)	(1,254)
At 31 August 2021	10,945	13,210	273,898	298,053
Carrying amount				
At 31 August 2021	8,573	2,755	87,050	98,378
At 31 August 2020	10,084	1,447	93,428	104,959

13 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	1,333	847
Other debtors	2,999	-
Prepayments and accrued income	12,564	13,881
	16,896	14,728

LOVE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

14 Creditors: amounts falling due within one year

	2021	2020
	£	£
Other taxation and social security	4,796	713
Trade creditors	23,460	20,675
Other creditors	408	408
Accruals and deferred income	62,978	71,758
	<u>91,642</u>	<u>93,554</u>

During the year deferred income of £40,297 was released to Arts Council funding. Arts council income received in advance this year of £40,460 was added to the deferred income. At 31 August 2021 the total deferred income was £40,974 which included for £40,460 for the Arts Council.

15 Retirement benefit schemes

Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £38,574 (2020 - £35,557).

LOVE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

16 Restricted funds

Arts council fund

This is a restricted fund which records the income from the Arts Council grant, together with the related expenditure.

Fixed assets fund

This fund holds the fixed assets of the charity, being mainly musical instruments. Assets purchased from funds included in the unrestricted funds are recorded as a transfer between funds.

	Balance at 1 September 2019 £	Movement in funds			Balance at 1 September 2020 £	Movement in funds			Balance at 31 August 2021 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £	
Arts Council	-	483,672	(428,096)	-	55,576	387,504	(392,420)	-	50,660
Fixed assets	113,301	-	(24,018)	15,676	104,959	1,765	(24,786)	16,440	98,378
	113,301	483,672	(452,114)	15,676	160,535	389,269	(417,206)	16,440	149,038

LOVE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Analysis of net assets between funds

	Unrestricted	Restricted funds	Total	Total
	2021	2021	2021	2020
	£	£	£	£
Fund balances at 31 August 2021 are represented by:				
Tangible assets	-	98,378	98,378	104,959
Current assets/(liabilities)	180,046	50,660	230,706	226,759
	<u>180,046</u>	<u>149,038</u>	<u>329,084</u>	<u>331,718</u>

18 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	170	852
Between two and five years	-	170
	<u>170</u>	<u>1,022</u>

LOVE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Related party transactions

Transactions with related parties

During the year the charitable company entered into the following transactions with related parties:

	Sale of services during the year		Purchase of goods and services during the year	
	2021	2020	2021	2020
	£	£	£	£
Other related parties	13,597	6,354	92,804	85,803
	<u>13,597</u>	<u>6,354</u>	<u>92,804</u>	<u>85,803</u>
	<u>13,597</u>	<u>6,354</u>	<u>92,804</u>	<u>85,803</u>

At 31 August £11,589 was owed to Sandbach School (2020: £6,310) and £1,466.40 was owed to Marlfelds Primary Academy (2020: £0).