

**Charity registration number 1148615**

**Company registration number 08123495 (England and Wales)**

**LOVE MUSIC TRUST**

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2022**

# LOVE MUSIC TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	J Cowell S I Burns S Isherwood J P Savage J D Hill R Gardiner	(Appointed 24 March 2022)
<b>Secretary</b>	D Osborne	
<b>Charity number</b>	1148615	
<b>Company number</b>	08123495	
<b>Principal address</b>	Unit 2, Bradwall Court Bradwall Road Sandbach Cheshire CW11 1GE	
<b>Registered office</b>	Unit 2, Bradwall Court Bradwall Road Sandbach England CW11 1GE	
<b>Independent examiner</b>	Fran Johnson BSc FCA WR Partners Drake House Gadbrook Park Northwich Cheshire CW9 7RA	

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# LOVE MUSIC TRUST

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# **LOVE MUSIC TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### ***FOR THE YEAR ENDED 31 AUGUST 2022***

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

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 2022

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#### 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 2022

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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 work 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 2022

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#### **Achievements and performance**

- 99 (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.
- 22 (of 23) Cheshire East Secondary Schools accepted the LMT new musical activity grant, working in partnership with the LMT.
- 8 (of 9) Special schools accepted the LMT new musical activity grant, working in partnership with the LMT.
- The LMT ensembles network engages over 800 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. Now in its third year the course has 6 students in year 12 and 3 in year 13. For September 2022, 3 members of the 2020-2022 course have now started places at Music Conservatoires.
- The LMT ran a 'Music Food and Nutrition' summer school supported by the Cheshire Est Holiday Action Fund, working with children in receipt of pupil premium providing two meals a day in addition to musical and nutritional training.
- 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 new sessions were delivered in June 2022.
- The Cheshire East Young Musician of the year competition ran in March 2022 with 85 young vocalists and instrumentalists taking part
- After two years of cancellations due to COVID, the annual Halle 'Come and Play' again took place at the Bridgewater Hall in Manchester (June 2022). 1400 young instrumentalists performed along with the Orchestra at the iconic hall in a massed celebration concert.
- The LMT worked 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 worked with young asylum seekers from countries including Syria, Eritrea, Kurdistan and Ethiopia.

# LOVE MUSIC TRUST

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

### FOR THE YEAR ENDED 31 AUGUST 2022

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- The annual summer celebration weekend once again took place at Clonter Opera, Congleton providing an opportunity for all of the LMT ensembles to perform in addition to 4 of the LMT partner ensembles.
- The conclusion of the EYFS 'Betty Bear' musical development programme for nursery and KS1 students who take part in signing and other musical activities took place at Congleton Town Hall (March 2022)
- 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 – June 2022 to run a series of programmes focusing on composing, computer programming and storytelling for gaming. Six schools were involved in the programme. Additionally, Conductive Music presented at the annual LMT Cheshire East Music Education Conference.
- 6 online CPD courses ran for Primary School Music coordinators and NQT's online throughout 2021/22.
- The LMT Singing programme, 'Sing Fest' engaged 35 schools in 2021/22 culminating in 7 massed concerts at Congleton Town Hall (March 2022)
- The adventures of 'Rex the Dinosaur' programme engaging EYFS in musical development concluded with a 'Dinosaur Picnic' in the grounds of Clonter Opera, ahead of the Celebration Weekend (June 2022)

#### Financial review

##### Review of financial position

The Love Music Trust has received a grant of £486,258 for 2021/22 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 £64,499 after taking into account transfers to restricted funds of £22,985 for the purchase of fixed assets.

The unrestricted funds at 31 August 2022 are £244,545 (2021: £180,046).

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.

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 2022

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#### Future plans

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

- For 2022/23 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 fourth 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) continue to be advertised to schools/pupils and parents, as we continue developing a tutor base with the skills and capacity to deliver this programme.
- In partnership with Cheshire East Special Schools the LMT will continue to develop 'Noteworthy', our additional needs Orchestra. Launch sessions at Park Lane Special school took place in June 2022 with others booked in for the Autumn and Spring Term. Noteworthy will again provide a regular collective music opportunity for young people with SEN.
- Through ongoing needs analysis CPD courses will continue to be identified whilst for 2022 a discounted CPD membership package continues to be offered to schools.
- The LMT is running a youth development programme entitled 'Hear Me'. Starting in September 2022 and supported with a Youth Music grant of £20,000, the programme is working with three groups of Young People ranging from Young Afghan families in Sandbach to those who are NEET and those in or on the fringes of the Youth Justice system in Crewe and Macclesfield. Looking at story capture and song writing, the programme will lead to the production of an EP for online release and a showcase event of songs written, to be performed at the Story House Theatre in Chester.
- 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 2022

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#### 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

(Resigned 5 August 2022)

S I Burns

S Isherwood

J P Savage

J D Hill

Mr P Sharp

(Resigned 9 March 2022)

Mr R Dakin

(Resigned 31 August 2022)

R Gardiner

(Appointed 24 March 2022)

##### 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 2022

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#### **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: 28 November 2022

# LOVE MUSIC TRUST

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF LOVE MUSIC TRUST

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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 2022.

#### **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**

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

Dated: .....2.12.22

# LOVE MUSIC TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 AUGUST 2022**

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Notes							
<b><u>Income and endowments from:</u></b>							
Donations and legacies	3	2,282	503,715	505,997	110,808	387,504	498,312
Charitable activities	4	419,257	-	419,257	306,898	-	306,898
Investments	5	92	-	92	50	-	50
Other income	6	1,173	-	1,173	864	1,765	2,629
<b>Total income</b>		<b>422,804</b>	<b>503,715</b>	<b>926,519</b>	<b>418,620</b>	<b>389,269</b>	<b>807,889</b>
<b><u>Expenditure on:</u></b>							
Charitable activities	7	335,320	566,645	901,965	393,317	417,206	810,523
Other		-	171	171	-	-	-
<b>Total resources expended</b>		<b>335,320</b>	<b>566,816</b>	<b>902,136</b>	<b>393,317</b>	<b>417,206</b>	<b>810,523</b>

# LOVE MUSIC TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 AUGUST 2022**

<b>Net incoming/ (outgoing) resources before transfers</b>	87,484	(63,101)	24,383	25,303	(27,937)	(2,634)
Gross transfers between funds	(22,985)	22,985	-	(16,440)	16,440	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>	64,499	(40,116)	24,383	8,863	(11,497)	(2,634)
Fund balances at 1 September 2021	180,046	149,038	329,084	171,183	160,535	331,718
<b>Fund balances at 31 August 2022</b>	244,545	108,922	353,467	180,046	149,038	329,084

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 2022**

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	12		108,213		98,378
<b>Current assets</b>					
Debtors	13	13,453		16,896	
Cash at bank and in hand		327,534		305,452	
		<u>340,987</u>		<u>322,348</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(95,733)</u>		<u>(91,642)</u>	
Net current assets			245,254		230,706
<b>Total assets less current liabilities</b>			<u>353,467</u>		<u>329,084</u>
<b>Income funds</b>					
Restricted funds	16	108,922		149,038	
Unrestricted funds		244,545		180,046	
		<u>353,467</u>		<u>329,084</u>	



# **LOVE MUSIC TRUST**

## **BALANCE SHEET (CONTINUED)**

***AS AT 31 AUGUST 2022***

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

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

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

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

The financial statements were approved by the Trustees on 28 November 2022



J P Savage  
**Trustee**

**Company registration number 08123495**

# LOVE MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 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.

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 2022

#### 1 Accounting policies

(Continued)

##### 1.5 Resources expended

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

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

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 the statement of financial activities.

##### 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).

# LOVE MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

(Continued)

##### 1.8 Cash and cash equivalents

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

##### 1.9 Financial instruments

The 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.

# LOVE MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 1 Accounting policies

(Continued)

##### 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.

##### 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
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Donations and gifts	2,282	14,405	16,687	8,735	-	8,735
Grants received	-	489,310	489,310	102,073	387,504	489,577
	<u>2,282</u>	<u>503,715</u>	<u>505,997</u>	<u>110,808</u>	<u>387,504</u>	<u>498,312</u>

# LOVE MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 3 Donations and legacies

(Continued)

#### Grants receivable for core activities

Arts Council Grant	-	486,259	486,259	96,874	387,504	484,378
Cheshire East Holiday Activities and Food Grant	-	3,051	3,051	5,199	-	5,199
	-	489,310	489,310	102,073	387,504	489,577

### 4 Charitable activities

	Continuation 2021 £	CPD/SMEP 2022 £	Ensembles 2022 £	First Access 2022 £	HQME 2022 £	Instruments 2022 £	Singing 2022 £	Total 2022 £	Total 2021 £
Income from tuition	136,965	40,215	15,869	153,098	52	-	4,352	350,551	280,266
Armchair Adventures	-	-	-	-	-	-	-	-	5,220
Sales of goods and services	-	9,028	250	-	23,138	24,940	11,350	68,706	21,412
	136,965	49,243	16,119	153,098	23,190	24,940	15,702	419,257	306,898

### 5 Investments

Unrestricted funds

2022  
£

2021  
£

Interest receivable

92

50

# LOVE MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

### 6 Other income

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2022	2021	2021	2021
	£	£	£	£
Net gain on disposal of tangible fixed assets	-	-	1,765	1,765
Other income	1,173	864	-	864
	<u>1,173</u>	<u>864</u>	<u>1,765</u>	<u>2,629</u>

# LOVE MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 7 Charitable activities

	Continuation	CPD/SMEP	Ensembles	First Access	HQME	Instruments	Singing	Total	Total
	2022	2022	2022	2022	2022	2022	2022	2022	2021
	£	£	£	£	£	£	£	£	£
Staff costs	6,040	42,355	19,715	13,174	21,820	9,846	46,519	159,469	156,428
Depreciation and impairment	-	-	-	-	-	24,957	-	24,957	21,606
Tutor charges	123,152	33,941	5,149	122,842	9,718	-	5,809	300,611	239,034
Instrument costs	-	-	176	-	-	7,861	-	8,037	5,726
Venue/event costs	-	2,648	6,747	-	24,389	-	1,114	34,898	7,342
Music direction	-	-	31,925	-	-	-	-	31,925	28,576
Travel and Subsistence	-	461	5,429	-	2,029	2,159	116	10,194	4,337
Training and quality assurance	750	1,775	-	-	-	-	-	2,525	3,943
Commissioned partner costs	-	-	19,375	-	-	-	-	19,375	18,568
Sundry	295	7,346	2,389	360	1,537	9	478	12,414	8,060
Music purchases	1,239	200	-	-	-	218	939	2,596	21,265
Community project consultancy	-	-	-	-	-	-	-	-	20,220
Curriculum development costs	-	1,811	-	-	-	-	-	1,811	-
Remissions	9,153	-	5,308	-	-	3,103	-	17,564	8,627
	<u>140,629</u>	<u>90,537</u>	<u>96,213</u>	<u>136,376</u>	<u>59,493</u>	<u>48,153</u>	<u>54,975</u>	<u>626,376</u>	<u>543,732</u>
Grant funding of activities (see note 8)	17,086	29,000	-	37,970	-	-	-	84,056	75,720
Share of support costs (see note 9)	36,318	33,981	23,806	44,783	17,433	16,487	16,295	189,103	188,195
Share of governance costs (see note 9)	467	437	306	575	224	212	209	2,430	2,876
	<u>194,500</u>	<u>153,955</u>	<u>120,325</u>	<u>219,704</u>	<u>77,150</u>	<u>64,852</u>	<u>71,479</u>	<u>901,965</u>	<u>810,523</u>



# LOVE MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 8 Grants payable

	Continuation	CPD/SMEP	First Access	Total	Total
	2022	2022	2022	2022	2021
	£	£	£	£	£
Grants to institutions:					
Grants to Schools	17,086	29,000	37,970	84,056	75,720

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

### 9 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Staff costs	143,654	-	143,654	140,672	-	140,672
Depreciation	2,426	-	2,426	3,180	-	3,180
Insurance	3,766	-	3,766	4,932	-	4,932
IT software & consumables	6,266	-	6,266	5,962	-	5,962
Sundry	1,285	-	1,285	760	-	760
Postage & stationery	2,734	-	2,734	2,429	-	2,429
Rent and premises costs	12,747	-	12,747	12,732	-	12,732
Repairs & renewals	4,664	-	4,664	7,065	-	7,065
Telephone & internet	4,248	-	4,248	3,708	-	3,708
Staff development	1,043	-	1,043	360	-	360
Advertising	-	-	-	155	-	155
Professional fees	6,270	-	6,270	6,240	-	6,240
Legal and professional	-	-	-	-	300	300
Independent examination fee	-	2,430	2,430	-	2,576	2,576
	189,103	2,430	191,533	188,195	2,876	191,071
Analysed between						
Charitable activities	189,103	2,430	191,533	188,195	2,876	191,071

# LOVE MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

### 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:

	2022 Number	2021 Number
Management	2	2
Charitable activities	2	2
Support	3	3
Total	7	7

#### Employment costs

	2022 £	2021 £
Wages and salaries	244,468	238,558
Social security costs	19,791	19,968
Other pension costs	38,864	38,574
	303,123	297,100

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

# LOVE MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 12 Tangible fixed assets

	Fixtures, fittings and media	Computers	Instruments	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2021	19,518	15,965	360,948	396,431
Additions	-	2,880	34,510	37,390
Disposals	-	-	(1,042)	(1,042)
At 31 August 2022	19,518	18,845	394,416	432,779
<b>Depreciation and impairment</b>				
At 1 September 2021	10,945	13,211	273,898	298,054
Depreciation charged in the year	1,286	1,140	24,957	27,383
Eliminated in respect of disposals	-	-	(871)	(871)
At 31 August 2022	12,231	14,351	297,984	324,566
<b>Carrying amount</b>				
At 31 August 2022	7,287	4,494	96,432	108,213
At 31 August 2021	8,573	2,755	87,050	98,378

### 13 Debtors

	2022	2021
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	700	1,333
Other debtors	1,182	2,999
Prepayments and accrued income	11,571	12,564
	13,453	16,896

# LOVE MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

### 14 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	4,993	4,796
Trade creditors	26,049	23,460
Other creditors	-	408
Accruals and deferred income	64,691	62,978
	<u>95,733</u>	<u>91,642</u>

During the year deferred income of £40,460 was released to Arts Council funding. Arts council income received in advance this year of £40,608 was added to the deferred income. At 31 August 2022 the total deferred income was £41,695 which included for £40,608 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 £38,864 (2021 - £38,574).

# LOVE MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 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.

##### Cheshire East Holiday Activities and Food Grant

Funding to provide children the opportunity to access at least 6 weeks of 'free to access' school holiday activities over Easter, summer and winter and eat healthily over the school holidays.

	Balance at 1 September 2020 £	Movement in funds			Balance at 1 September 2021 £	Movement in funds			Balance at 31 August 2022 £
		Incoming resources	Resources expended	Transfers		Incoming resources	Resources expended	Transfers	
Arts Council	55,576	387,504	(392,420)	-	50,660	486,258	(536,209)	-	709
Fixed assets	104,959	1,765	(24,786)	16,440	98,378	14,404	(27,554)	22,985	108,213
Cheshire East Holiday Activities Fund	-	-	-	-	-	3,051	(3,051)	-	-
	160,535	389,269	(417,206)	16,440	149,038	503,713	(566,814)	22,985	108,922

# LOVE MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 17 Analysis of net assets between funds

	Unrestricted	Restricted funds	Total	Total
	2022	2022	2022	2021
	£	£	£	£
Fund balances at 31 August 2022 are represented by:				
Tangible assets	-	108,213	108,213	98,378
Current assets/(liabilities)	244,546	709	245,255	230,706
	<u>244,546</u>	<u>108,922</u>	<u>353,468</u>	<u>329,084</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:

	2022	2021
	£	£
Within one year	-	170
	<u>-</u>	<u>170</u>

# LOVE MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 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	
	2022	2021	2022	2021
	£	£	£	£
Other related parties	6,073	13,597	88,598	92,804
	<u>6,073</u>	<u>13,597</u>	<u>88,598</u>	<u>92,804</u>
	<u><u>6,073</u></u>	<u><u>13,597</u></u>	<u><u>88,598</u></u>	<u><u>92,804</u></u>

At 31 August 2022 £13,749.22 was owed to Sandbach School (2021: £11,589) and £832 was owed to Marlfields Primary Academy (2021: £1,466).