

Charity number: 1149090

Company number: 08071972

(England and Wales)

Urban Development Music Foundation

Report of the Trustees and Unaudited Financial Statements

For the year ended 31 March 2021

Urban Development Music Foundation
Contents Page
For the year ended 31 March 2021

Report of the Trustees	1 to 4
Independent Examiner's Report to the Trustees	5
Statement of Financial Activities	6
Statement of Financial Position	7
Notes to the Financial Statements	8 to 13
Detailed Statement of Financial Activities	14 to 15

Urban Development Music Foundation
Report of the Trustees
For the year ended 31 March 2021

The Trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements for the charitable company for the year ended 31 March 2021. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2019).

CHAIR'S REPORT

INTRODUCTION

UD is a national youth music organisation delivering exemplar skills and talent development opportunities for emerging music artists and producers.

Prioritising young people aged 14-25 experiencing racial inequality and facing economic disadvantage, we improve equality of access and support participants to progress and succeed in the music industry. Through structured, accredited learning focused on individual creativity, technical excellence, and industry know-how, we strengthen young peoples' musical and business skills and experience to access music industry networks and opportunities.

Operating in the country's poorest and most diverse boroughs, our aims are to advance education; support young people by developing their skills; improve opportunities for those in need due to socio-economic circumstances; and relieve unemployment. UD takes direct action to equip the young people who are trying to break through into notoriously competitive creative environments, with the tools they need: Excellence, skills, structure, confidence, opportunity and networks.

Our ambition is to create THE talent development centre for Black music, recognised by the public sector for the social and cultural impact of our work, and respected and rewarded by the private sector for the value we add to the commercial music industry.

IMPACT OF COVID-19

COVID resulted in cancellation of events and school activity and commensurate loss of earned income. In addition, the closure of trusts and foundations in response to emergency relief impacted on revenue fundraising prospects. Urban Development applied successfully to the ACE Emergency Recovery Fund (£17k to cover the projected deficit for 1/3/20 - 30/9/20 due to loss of earned and fundraising income intended to contribute towards core costs) and ACE CRF round 1 (£56,475k towards core costs and business development to support with recovery). A proportion of this funding was allocated to the Urban Development Music Foundation.

Our recently confirmed grant from Esmée Fairbairn Foundation (£60k p.a. x 3 years) funds a full-time Head of Operations (from 1st October 2020), which will support our ambition and income generation 'runway' at this crucial stage of our development. However, this additional capacity is unlikely to bear fruit before the 21/22 financial year given typical lead-times. With the support of funders, we developed an online delivery model for Urban Flames (Youth Music) and industry seminars (Vivendi) and deferred our incubator programme (HMUK) to October. Whilst not ideal, this approach enabled us to deliver elements of our talent development pipeline programme, to continue to nurture relationships with the young people that we serve and to support greater resilience for those dealing with mental ill health due to the pandemic or racial inequality.

Urban Development Music Foundation
Report of the Trustees Continued
For the year ended 31 March 2021

OBJECTIVES AND ACTIVITIES

UD educates, empowers and creates life opportunities for young people inspired by the sounds, words and rhythms of Black music culture. With our roots in the vibrant Black music scenes that have emerged from east London, UD combines business acumen with an up-to-the-minute understanding of youth culture and stands at the crossroads where the creativity of emerging Black Music meets the music industry. UD is passionate about excellence, and the potential for excellence in every young person we encounter.

The UD programme is made up of 4 activity strands - education, talent development, events and the Talent House. Securing the remaining capital funding and completing the fit-out of a new building has represented a significant and critical element of our business plan during 2020/21 - securing premises and an uplift in earnings potential for the long-term.

Our talent development pathway comprises:

- School projects and outreach programmes for 11 to 16 years old
- Youth access courses and community engagement events such as our Industry Takeover seminars and annual conference
- Pre-vocational training and education for 14 - 17+ years old (Flames Collective weekly rehearsal sessions, Saturday School, Summer School)
- Post-18 training and education in partnership with further and higher education institutions, offering accredited foundation courses (first year of a degree equivalent)
- Creative development, employment support and business incubation including access to workspace, studios and investment, mentoring and showcasing

As of 31st March 2021, we are operating online and, prior to recent restrictions, in person. We have:

- Restarted weekly sessions for our youth vocal group Flames Collective, firstly at youth centre then online, released Rumours 5-track EP via Ingrooves
- Delivered 2 online Industry Takeover seminars, our programme of professional development, education and networking opportunities
- Piloted online version of our Incubator Programme, comprising mentorship, industry masterclasses, song writing/A&R sessions and promotional support

During the period, our own experience and that of other youth and music services have shown that numbers of young people engaging online are down and managing larger groups online can be difficult due to digital poverty and, in some case, a lack of quiet space at home to perform music for recording. Therefore, we will revert to in-person provision as soon as possible, focusing on working with smaller cohorts, enabling targeted professional development and emerging artist opportunities. We will continue to review the positioning of schools' work with these trends in mind.

BRAND AND AUDIENCE DEVELOPMENT

As well as COVID-19, we were impacted by a further unforeseen event. In the wake of the George Floyd murder, the word 'urban' as a catch-all for music of black origin is now verboten in music industry parlance. Effecting this change became a symbol for the Black Lives Matter campaign and has now been dropped by major record companies. Although the 'urban' in the name of Urban Development means inner-city underground youth culture, pre-dating (1996) the current definition, we made the decision to change our name, necessitating a re-brand, to ensure the continuing goodwill of our music executive friends and supporters.

In March 2021, we completed the rebrand to UD as well as a new website and social media assets, led by Templo. The rebrand campaign, followed by a community engagement strategy for the Talent House, is being led by communication experts, Canoe Inc. A new in-house Marketing Manager, Klara Niklewicz, was appointed in March 2021 and will complement the work of Canoe by managing 'always on' social media and communications and will drive the participant recruitment and audience development campaigns throughout the Autumn 2021 leading to the public opening of the Talent House in 2022.

ORGANISATION

We pride ourselves on being a diverse team that takes direct action to equip the young people who are trying to break through into notoriously competitive creative environments, with the tools they need: Excellence, structure, confidence, opportunity, and networks. With our roots in the vibrant Black music scenes that have emerged from east London, UD combines business acumen with an up-to-the-minute understanding of youth culture and stands at the crossroads where the creativity of emerging Black music meets the music industry. Staff, tutors, board and participants continue to represent the communities they live and work in. We are passionate that the London of the future is found in our organisation today.

BOARD

We are, and always have been, Black-led. The demographic profile of our board is 60% Black and 40% female. We have recently strengthened board membership through the appointment of Austin Daboh and Andrew Missingham following David Krap's resignation in June 2020 after 8 years of service. In 2021/22, we will expand the board to include two new members and increase diversity still further: board membership of 6 people, 67% Black and 50% female as a minimum.

TEAM

At the end of 2020/21, we are operating with a small core team of 3 FTE PAYE staff, alongside a pool of project freelancers and outsourced operations. The demographic profile of our workforce is 50% Black and 100% female for PAYE staff and 57% Black and 43% female for freelance roles.

To scale up for occupancy of the Talent House in 2022, we are in the process of recruiting 3 new members of staff, including 2 newly created roles: Project Administrator/Coordinator (vacant since the start of the COVID pandemic), Studio & Community Manager and Head Engineer/Technician. Our goal is to increase staff diversity still further.

Urban Development Music Foundation
Report of the Trustees Continued
For the year ended 31 March 2021

ACHIEVEMENTS AND PERFORMANCE

During 2020/21, we have been focusing on developing and broadening relationships with existing key partners in each activity strand rather than using a 'scatter gun' approach with multiple superficial relationships. As well as ongoing support as a National Portfolio Organisation, Urban Development has been successful with securing additional COVID recovery funds from Arts Council England. We have also developed broad music education partnerships including schools and music education hubs, other National Portfolio Organisations, music sector organisations with education and workforce development interests (UK Music, Universal Music UK) and major arts/music funders (Esmée Fairbairn Foundation, Help Musicians UK, PRS for Music Foundation, Youth Music). We continue to enjoy UK-wide industry partnerships in music and beyond - relationships with labels, publishers, promoters, agents, lawyers, managers & media partners. A major development over the past 12 months has been to work towards a Higher Education partnership with the University of East London for delivery of a suite of Level 4 courses at the Talent House: at the end of March 2021, the Business Case is complete, and we are working towards Institutional Approval via a due diligence process.

Our goal is to further diversify our partnership base including commercial and funded sectors: build relationships with commercial music industry for public and private sector partnership on talent development and to enable the progression of our target beneficiaries; and to broaden the range of subsidised sector partnerships to enable programme expansion and organisational growth.

RESILIENCE

Despite our relatively low level of core funding and the impact of COVID-19, our long-term prospects for growth and resilience are strong.

Following an action research project (2014-15), UD delivered a major 'Ambition for Excellence' organisational change programme (2016-19). Based on sector-wide needs analysis, consultation and external evaluation, a strategic plan to develop a nationally recognised talent development centre for popular/urban music is now in place. We are currently undergoing a major capital programme and fundraising campaign to create the Talent House, a centre for excellence for Black music culture, in partnership with East London Dance. Together, we have raised c.£3.8 million (93% of the fundraising target of £4.1k). Partners secured include Arts Council England, the Greater London Authority/Mayor of London, Foundation for Future London, Nesta Arts Impact Fund, London Legacy Development Corporation/LB Newham via section 106 funding from developer, Vastint.

Commenting on sector impact in the AfE programme evaluation report, External Evaluator Nikki Shepherd said: Whilst currently engaging relatively small absolute numbers of participants these organisations are a microcosm of what a future music model for learning could be. They need far more help to grow and flourish, at least initially. Organisations like Tomorrow's Warriors and UD are two exceptional London based providers who still inexplicably struggle for funding and expansion.

REFERENCE AND ADMINISTRATIVE INFORMATION

Name of Charity	Urban Development Music Foundation
Charity registration number	1149090
Company registration number	08071972
Principal address	303 The Pill Box 115 Coventry Road London England E2 6GH

Trustees

The trustees and officers serving during the year and since the year end were as follows:

Mr Andrew David Miguel Missingham
Mr Austin Christopher Daboh
Mr David Krap
Mr Lord Victor Olufemi Adebawale
Ms Anne-Marie Osamwenze Imafidon
Ms Pamela Elizabeth McCormick

Independent examiner	WIM Consulting Limited Office Suite 1 12b High View Parade Ilford Essex England IG4 5EP
-----------------------------	--

Urban Development Music Foundation
Report of the Trustees Continued
For the year ended 31 March 2021

Solicitors

Sheridans
76 Wardour Street
London
W1F 0UR

Approved by the Board of Trustees and signed on its behalf by

30 November 2021

Ms. Pamela Elizabeth McCormick.....

Urban Development Music Foundation
Independent Examiners Report to the Trustees
For the year ended 31 March 2021

Independent examiner's report to the trustees of Urban Development Music Foundation ('the Company') I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts 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 your 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 examiners statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ACCA 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 Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the 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 accounts 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 accounts to be reached.

Naveed Ikhtlaq FCCA

WIM Consulting Limited
Office Suite 1
12b High View Parade
Ilford Essex
England
IG4 5EP

15 December 2021

Urban Development Music Foundation
Statement of Financial Activities (including Income and Expenditure Account)
For the year ended 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 £	2020 £
Income and endowments from:					
Donations and legacies	2	92,760	18,374	111,134	44,077
Charitable activities	4				
Education fees		760	-	760	1,140
Fund raising events		-	-	-	10,760
Membership subscriptions		292	-	292	-
Performance fees		4,592	-	4,592	-
Investments	5				
Bank interest receivable		19	-	19	10
Total		98,423	18,374	116,797	59,987
Expenditure on:					
Raising funds					
Costs of charitable activities		(50,554)	(18,374)	(68,928)	(696)
Cost of fund raising and marketing costs		(18,970)	-	(18,970)	(210)
Support costs	6/7/8				
Total support costs		(16,598)		(16,568)	(57,272)
Total		(86,122)	(18,374)	(104,496)	(58,178)
Net income/expenditure		12,301	-	12,301	1,809
Reconciliation of funds					
Total funds brought forward		2,670	-	2,670	862
Total funds carried forward		14,971	-	14,971	2,671

Urban Development Music Foundation
Statement of Financial Position
As at 31 March 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	10	11,800	-
		11,800	-
Current assets			
Debtors: amounts falling due within one year	11	21,175	13,145
Debtors: amounts falling due after more than one year	11	12,589	2,000
Cash at bank and in hand		58,822	30,597
		92,586	45,742
Creditors: amounts falling due within one year	12	(89,415)	(37,471)
Net current assets		3,171	8,271
Total assets less current liabilities		14,971	8,271
Creditors: amounts falling due after more than one year	13	-	(5,600)
Net assets		14,971	2,671
The funds of the charity			
Restricted income funds	14	-	1,249
Unrestricted income funds	14	14,971	1,422
Total funds		14,971	2,671

For the year ended 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board and signed on its behalf by:

.....
Ms. Pamela Elizabeth McCormick
Trustee

30 November 2021

Urban Development Music Foundation
Notes to the Financial Statements
For the year ended 31 March 2021

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value and the revaluation of certain fixed assets and in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

Urban Development Music Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Funds

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Taxation

The charity is exempt from corporation tax on its charitable activities

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of settlement can be estimated reliably.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value except for bank loans which are subsequently measured at the carrying value plus accrued interest less repayments. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

2. Income from donations and legacies

	Unrestricted funds	Restricted funds	2021	2020
	£	£	£	£
Donations received	7,048		7,048	20,550
Grants received	46,698		46,698	-
Trusts and foundations	35,652	18,374	54,026	
CSR Funding	3,362	-	3,362	14,397
		-		
	92,760	18,374	111,134	34,947

Urban Development Music Foundation
Notes to the Financial Statements Continued
For the year ended 31 March 2021

3. Income from other activities

2021
£ **2020**
£

Unrestricted funds

4. Income from charitable activities

2021
£ **2020**
£

Unrestricted funds

Education fees	760	
Performance fees	4,592	10,760
Membership subscriptions	292	-
	-	-
	<u>5,644</u>	<u>10,760</u>

5. Investment income

2021
£ **2020**
£

Unrestricted funds

Bank interest receivable	19	10
	<u>19</u>	<u>10</u>

6. Costs of charitable activities by fund type

	Unrestricted funds	Restricted funds	2021	2020
	£	£	£	£
Delivery staffs and other delivery costs	4,474	13,475	17,949	38,876
Project marketing and management costs	5,912	4,899	10,811	18,396
	<u>10,386</u>	<u>18,374</u>	<u>28,760</u>	<u>57,272</u>

7. Costs of fundraising, marketing, and support costs

	Fund raising and marketing costs	Support costs	2021	2020
	£	£	£	£
Total costs	18,970	13,648	32,618	57,272

Urban Development Music Foundation
Notes to the Financial Statements Continued
For the year ended 31 March 2021

8. Staff costs and emoluments

Total staff costs for the year ended 31 March 2021 were:

	2021	2020
	£	£
Salaries and wages	35,689	12,373
Social security costs	3,094	
Pension costs	1,386	147
	40,169	12,520

	2021	2020
Charitable	0	0
	0	0

10. Tangible fixed assets

	Website costs
Cost or valuation	£
Additions	14,750
At 31 March 2021	14,750
Depreciation	
Charge for year	2,950
At 31 March 2021	2,950
Net book values	
At 31 March 2021	11,800

Urban Development Music Foundation
Notes to the Financial Statements Continued
For the year ended 31 March 2021

11. Debtors

	2021	2020
	£	£
Amounts due within one year:		
Trade debtors	21,050	9,000
Prepayments and accrued income	-	1,800
Other debtors	125	2,345
	<u>21,175</u>	<u>13,145</u>
Amounts due after more than one year:		
Prepayments and accrued income	-	2,000
Other debtors	12,589	-
	<u>12,589</u>	<u>2,000</u>

12. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	29,209	12,285
Other creditors	(3,374)	(15)
Accruals and deferred income	63,580	25,201
	<u>89,415</u>	<u>37,471</u>

13. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Accruals and deferred income	-	5,600
	<u>-</u>	<u>5,600</u>

14. Movement in funds

Unrestricted Funds

	Balance at 01/04/2020	Incoming resources	Outgoing resources	Balance at 31/03/2021
	£	£	£	£
<i>General</i>				
General	2,670	98,423	(86,122)	14,971
	<u>2,670</u>	<u>98,423</u>	<u>(86,122)</u>	<u>14,971</u>

Urban Development Music Foundation
Notes to the Financial Statements Continued
For the year ended 31 March 2021

Unrestricted Funds - Previous year

	Balance at 01/04/2019	Incoming resources	Outgoing resources	Balance at 31/03/2020
	£	£	£	£
<i>General</i>				
General	862	48,587	(48,027)	1,422
	<u>862</u>	<u>48,587</u>	<u>(48,027)</u>	<u>1,422</u>

Purpose of unrestricted Funds

General

The purpose of the fund is to use the funds for talent development centre for popular/urban music.

Restricted Funds

	Incoming resources	Outgoing resources	Balance at 31/03/2021
	£	£	£
HMUK	8,674	(8,674)	-
Youth Music	9,700	(9,700)	-
	<u>18,374</u>	<u>(18,374)</u>	<u>-</u>

Restricted Funds - Previous year

	Incoming resources	Outgoing resources	Balance at 31/03/2020
	£	£	£
HMUK	9,001	(9,001)	-
Incubator	-	(1,150)	(1,150)
Youth Music	2,399	-	2,399
	<u>11,400</u>	<u>(10,151)</u>	<u>1,249</u>

Urban Development Music Foundation
Notes to the Financial Statements Continued
For the year ended 31 March 2021

Purpose of restricted funds

Youth Music

The purpose of the fund is to support the Urban Flames Vocal Collective through a high-level artistic and professional development programme and tour schools in East London to recruit new collective members and identify alternative progression routes for the next generation of urban music stars/producers.

HMUK Incubator

The purpose of the grant is to test a new delivery model for the Urban Artist School inspired by the current Level 4 Creative Practitioner Extended Diploma accredited programme- a shorter/accelerated version that identifies participants who are investment ready.

Urban Development Music Foundation
Detailed Statement of Financial Activities
For the year ended 31 March 2021

	2021	2020
	£	£
INCOME AND ENDOWMENT		
Donations and legacies		
Donations	7,048	20,550
Trusts & Foundations	54,026	-
CSR Funding	3,362	14,397
Grants received	46,698	6,785
		2,345
	111,134	44,077
Charitable activities		
Education Fees	760	1,140
	760	1,140
Charitable activities		
Performance Fees	4,592	10,760
Membership subscriptions	292	4,000
Sponsorships		-
		-
	4,884	14,760
Investments		
Bank Interest Receivable	19	10
	19	10
Total incoming resources	116,797	59,987
EXPENDITURE		
Marketing	(5,500)	(150)
Design	(500)	-
	(6,000)	(150)
Performance Fees	-	(210)
	-	(210)
Freelance Fundraising and music consultancy	(3,875)	(8,586)
Wages	(35,689)	-
Staff Costs - Social Security Costs	(3,094)	-
Staff Costs - Pension Contributions	(1,386)	(147)
Project Management	(9,375)	(4,968)
Tutors' And Mentors' Fees	(15,475)	(16,108)
Participant's Expenses	(1,613)	(1,567)
Depreciation - Owned Assets	(2,950)	-
Outsourced Fundraising Expenses	(8,700)	-
Advertising	(67)	-
Freelance project manager	(400)	(7,500)
	(82,624)	(38,876)

Urban Development Music Foundation
Detailed Statement of Financial Activities Continued
For the year ended 31 March 2021

Management	(400)	(400)
Equipment Hire	-	(510)
	(400)	(910)
Bank Charges	(145)	(87)
Accountancy	(5,682)	(4,013)
	(5,827)	(4,100)
Project website costs	(1,252)	(462)
	(1,252)	(462)
Postage And Stationery	-	(342)
Staff Welfare and Training	(4,734)	(240)
Board And Governance	-	(310)
	(4,734)	(892)
Online resources	(112)	(146)
Premises Service Charge	(3,049)	-
Wages And Salaries	-	(4,873)
Legal Fees	(6)	-
Rehearsal and workshop room hire	(445)	(6,743)
Motor And Travel Expenses	-	(355)
Other Office Costs	(47)	(238)
Bad Debts	-	(223)
	(3,659)	(12,578)
Total resources expended	(104,496)	(58,178)
Net Income	12,301	1,809