

**OVATION MUSIC**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

# OVATION MUSIC

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr N Davidson Mr N Oldham Mr M Richards Mr S Morris	(Appointed 26 July 2021)
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<b>Charity number</b>	1165405
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<b>Independent examiner</b>	Oliver Read 1 & 2 The Barn Oldwick West Stoke Road Lavant Chichester West Sussex England PO18 9AA
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# OVATION MUSIC

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# OVATION MUSIC

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2021

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The trustees present their annual 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 charity's governing document, the Charities Act 2011 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) (effective 1 January 2019)".

#### Objectives and activities

The charity's objects are:

- To advance the education of the public, particularly but not exclusively children and young people under the age of 18 years, in the art of music in Portsmouth and Chichester and in such other parts of the United Kingdom as the Trustees may from time to time think fit, particularly but not exclusively by the provision of workshops, educational opportunities and opportunities for children and young people to perform music.
- To promote the development of young people in achieving their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals.

The policies adopted in furtherance of these objects are:

- carried out a number of music workshops including a young persons' choir throughout the year;
- provided practical work experience opportunities to children and young people;
- staged fourteen performances featuring young musicians (including children) at a number of community events, festivals and in a school;
- Provided workshops to 'NEETS' (Not in Education, Employment or Training);
- offered and provided free music education to vulnerable children.

In carrying out the activities above the trustees have had regard to the guidance issued by the Charity Commission on public benefit.

There has been no change in these during the year.

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

#### Achievements and performance

The charity's main achievements include:

- reaching out to a wider group of children and young people in the local community and providing them with a positive creative and supportive environment to express themselves through music;
- hand on practical work experience was offered to a number of children and young people at music festivals and concerts. This experience included sound, lighting and technical support and volunteering with social media and marketing initiatives;
- providing young musicians with access to support slots at music festivals and enabling confidence through this type of performance;
- seeing children and young people interacting with each other in a positive way and helping raise significant funds for local children's charities in addition to Ovation Music.

#### Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

At the year end the charity's cash reserves amounted to £25,423 (2019: £28,351). The remaining reserves are used to facilitate and further the charitable objectives in subsequent accounting periods.

# OVATION MUSIC

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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

#### **Structure, governance and management**

The charity is setup as a Charitable Incorporate Organisation (CIO) and registered with the Charities Commission for England and Wales as charity number 1165405.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr N Davidson

Mr N Oldham

Mr M Richards

Mr D MacDonald

(Resigned 23 May 2021)

Mr S Morris

(Appointed 26 July 2021)

Apart from the first charity trustees, every trustee must be appointed by a resolution passed at a properly convened meeting of the charity trustees.

In selecting individuals for appointment as charity trustees, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

No person may be appointed a charity trustee at a general meeting unless:

- he or she is recommended for election by the charity trustees; or
- not less than 14 nor more than 35 clear days before the date of the meeting, the CIO is given notice that:
  - (i) is signed by a charity trustee entitled to vote at the meeting;
  - (ii) states the charity trustee's intention to propose the appointment of a person as a charity trustee; and
  - (iii) is signed by the person who is proposed to show his or her willingness to be appointed

All charity trustees who are entitled to receive notice of a general meeting must be given not less than 7 nor more than 28 clear days' notice of any resolution to be put to the meeting to appoint a charity trustee.

The appointment of a charity trustee must not cause the number of charity trustees to exceed any number fixed as the maximum number of charity trustees.

During the year under review one of the charity's trustees, Nick Davidson, received payment for management, administration and consultancy services totalling £10,400 (2019: £18,197).

#### **Supplier payment policy**

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to XX day's purchases, based on the average daily amount invoiced by suppliers during the year.

## **OVATION MUSIC**

### **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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

Mr N Davidson

**Trustee**

18 June 2022

# **OVATION MUSIC**

## **INDEPENDENT EXAMINER'S REPORT**

### **TO THE TRUSTEES OF OVATION MUSIC**

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I report to the trustees on my examination of the financial statements of Ovation Music (the charity) for the year ended 31 August 2021.

#### **Responsibilities and basis of report**

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of 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**

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

**Oliver Read**

**FCCA ACA**

**James Todd & Co Limited**

1 & 2 The Barn Oldwick  
West Stoke Road  
Lavant  
Chichester  
West Sussex  
PO18 9AA  
England

Dated: 20 June 2022

# OVATION MUSIC

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 AUGUST 2021**

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		Unrestricted funds 2021 £	Unrestricted funds 2020 £
	Notes		
<b><u>Income from:</u></b>			
Donations and legacies	3	30,578	26,462
Charitable activities	4	28,141	41,389
		<hr/>	<hr/>
<b>Total income</b>		58,719	67,851
		<hr/>	<hr/>
<b><u>Expenditure on:</u></b>			
Charitable activities	5	47,885	44,855
		<hr/>	<hr/>
<b>Net income for the year/ Net movement in funds</b>		10,834	22,996
Fund balances at 1 September 2020		48,419	25,423
		<hr/>	<hr/>
<b>Fund balances at 31 August 2021</b>		59,253	48,419
		<hr/> <hr/>	<hr/> <hr/>

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

All income and expenditure derive from continuing activities.



# OVATION MUSIC

## BALANCE SHEET

AS AT 31 AUGUST 2021

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	Notes	2021 £	£	2020 £	£
<b>Current assets</b>					
Debtors	9	148		-	
Cash at bank and in hand		59,705		48,509	
		<u>          </u>		<u>          </u>	
		59,853		48,509	
<b>Creditors: amounts falling due within one year</b>	10	(600)		(90)	
		<u>          </u>		<u>          </u>	
Net current assets			59,253		48,419
			<u>          </u>		<u>          </u>
<b>Income funds</b>					
Unrestricted funds			59,253		48,419
			<u>          </u>		<u>          </u>
			59,253		48,419
			<u>          </u>		<u>          </u>

The financial statements were approved by the Trustees on 18 June 2022

Mr N Davidson  
Trustee

# OVATION MUSIC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

##### Charity information

Ovation Music is a Charitable Incorporated Organisation (CIO), registered with the Charities Commission for England and Wales as charity number 1165405.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity 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 have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

The financial statements have been prepared under the historical cost convention and 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 charity 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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

##### 1.4 Income

Income is recognised when the charity 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 charity 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.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# OVATION MUSIC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

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.

Expenditure on charitable activities includes all expenditure directly relating to the objects of the charity. Expenditure on the raising of funds represents expenditure incurred in generating income to finance the charity's activities and governance.

#### 1.6 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.

#### 1.7 Financial instruments

The charity 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 charity's balance sheet when the charity 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 charity's contractual obligations expire or are discharged or cancelled.

# OVATION MUSIC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies (Continued)

##### 1.8 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 2 Critical accounting estimates and judgements

In the application of the charity'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	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	7,671	12,962
Coronavirus support grant	22,907	10,000
Donated goods and services	-	3,500
	<u>30,578</u>	<u>26,462</u>

#### 4 Charitable activities

	Musical education and training 2021	Musical education and training 2020
	£	£
Tuition	24,287	34,097
Ticket sales	-	2,648
Room hire	3,854	4,644
	<u>28,141</u>	<u>41,389</u>

# OVATION MUSIC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 5 Charitable activities

	Musical education and training 2021 £	Musical education and training 2020 £
Rent and rates	3,650	5,084
Studio and venue hire	13,045	3,912
Management and consultancy	10,400	10,400
Tutoring	19,773	24,618
Other expenses	417	151
	<u>47,285</u>	<u>44,165</u>
Share of governance costs (see note 6)	600	690
	<u>47,885</u>	<u>44,855</u>

### 6 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Accountancy	-	600	600	-	690	690
	<u>-</u>	<u>600</u>	<u>600</u>	<u>-</u>	<u>690</u>	<u>690</u>
Analysed between Charitable activities	-	600	600	-	690	690
	<u>-</u>	<u>600</u>	<u>600</u>	<u>-</u>	<u>690</u>	<u>690</u>

### 7 Trustees

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

### 8 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	-	-

# OVATION MUSIC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 8 Employees (Continued)

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

#### 9 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Other debtors	148	-
	=====	=====

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

	2021	2020
	£	£
Trade creditors	-	90
Accruals and deferred income	600	-
	=====	=====
	600	90
	=====	=====

#### 11 Related party transactions

During the year under review one of the charity's trustees, Nick Davidson, received payment for management, administration and consultancy services totalling £10,400 (2020: £10,400).