



Annual Report

September 2021 – August 2022

As we come out of COVID, life at the music centre has started to return to some sense of normality. We have managed to return to our old location and have all the different ensembles running under the same roof, inspired by our dedicated team of staff.

Our team of trustees has changed during this year along with a change in Chair. This is largely due to natural wastage as the majority of trustees are parents of members. We have been focussing on recruiting more trustees to share the work of overseeing South East Derbyshire Music Trust.

We are experiencing difficulties in the number of members returning to pre COVID levels. We continue to explore ways of recruiting more members. This has included a number of open mornings at the main centre.

Throughout the year, our cycle of concerts, performances at festivals and carnivals got back into swing, culminating in our delayed (because of COVID) tour to Salzburg and Austria. Once again, this is an amazing opportunity for our young members and will be remembered by them for many years to come. Opportunities for members to play in public this year have included:-

- End of term concerts
- Local carnivals
- Christmas carolling
- Christmas concert in conjunction with a local mail voice choir.
- Austrian tour

We have also arranged trips for senior members to concerts by Nottingham Philharmonic Orchestra and the CBSO.

A number of higher level members have also attended City and County events.

Despite the difficulties of the post COVID environment our financial situation remains secure. Please see attached accounts.





Annual Finance Report

Registered charity, number 1180960
For the period ended 31 August 2022

Prepared by
Steven Hardy

Prepared on
17 December 2023

This financial statement has been prepared to comply with cash accounting method.

Table of Contents

Treasurer's report	3
Independent examiner's report	4
SEDMC Finance Statement	5
Bank balances	6
Notes to the accounts	7
Glossary of terms	8

Treasurer's report

The principal funding sources for the charity have remained to be from membership subscriptions and the Arts Council England grant administered by the Derby and Derbyshire Music Partnership.

This year has seen a decrease in total funds held.

Total income this year was £64.3k and total expenses was £78.8k.

The financial statement for year-end August 2022 therefore displays a deficit of £14,466.93.

Whilst the pandemic was still an ongoing problem affecting membership and finances, the year 2021-22 saw notable improvements in concert income (£7,357, up from £1,648), and membership fees income from both the main centre and satellite clubs (£15,786, up from £9,787). A gift of £1,500 from a local company towards the tour was also received during the period.

Several factors have contributed to the deficit during the year:

- The first was a total of £1,604 of outstanding rental costs for the previous period, during a pandemic-affected year, paid within 2021-22.
- The second was the £6,727 difference between tour income (£3,183.27) and tour expenditure (£29,614.64) during the period. This difference arises from receipts in earlier years to support the expenditure.
- Gift Aid of more than £3,200 on membership fees during 2020-22 was also not received during the period and this is now expected early in 2022-23.
- Membership numbers, in recovery post-pandemic, remained below optimum levels and this is reflected in lower than budgeted fees income.
- The tuck shop also continued to make a loss (of £1,494) although measures have subsequently been put in place to maximise tuck shop income.

The Trust accounts closed with a cash reserve of £30,016.96 (of which £5,768.42 is restricted for future tours). These are in line with the amount identified in the Trust's Reserves Policy, which is that reserves should equal two terms worth of essential operating costs (i.e. salaries and rental). Whilst for 2021-22, this equates to approximately £27,300, it is expected that this will increase in the short- to medium-term with the filling of staff vacancies and inflationary pressures on costs.

It is the Trustees view that they will continue to seek to stabilise the finances in 2022-23 and then look to grow the reserves in the medium-term at the expected level in line with the Policy. The sustained growth of fee-paying members and control of potentially loss-making activities are key factors in maintaining stable finances going forward and increasing reserves in line with expected increases in costs.

The Trust's independently verified accounts are attached to this Report.



CHARITY COMMISSION
FOR ENGLAND AND WALES

Independent examiner's report on the accounts

Section A

Independent Examiner's Report

Report to the trustees

Charity Name

South East Derbyshire Music Center

On accounts for the year ended

August 2022

Charity no
(if any)

Set out on pages

1 to 9

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended 31 /08/2022.

Responsibilities and basis of report

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of Chartered Institute of management accountants.

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

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did 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 accounts to be reached.

Signed:



Date:

22/12/2023

Name:

Charlotte Hallworth

Relevant professional
qualification(s) or body (if
any):

Chartered Global Management Accountant (CGMA)

Address:

24 Longmoor Road, Breaston, Derbys, DE72 3BB

South East Derbyshire Music Centre Trust Financial Statement

1 September 2021 to 31 August 2022

	Sep 2021 to Aug 2022 (£)	Total Sep 2020 to Aug 2021 (PY) (£)
INCOME		
Concerts income	7,357.20	1,648.00
Donations and legacies	17,145.38	29,846.61
Instrument Hire	12.50	15.00
Interest Received	13.57	6.52
Music Centre Fee	15,297.00	8,431.00
Raffle Ticket Sales		68.00
Sales	29.00	
Sales of Instrument		64.85
Satellite Clubs	489.20	1,355.50
Tour income	23,183.27	2,295.00
Tuck Shop Sales	741.08	
Total Income	64,268.20	43,730.48
COST OF SALES		
Cost of sales	0.00	
Reed Purchases	15.19	
Tuck Shop costs	2,234.95	1,344.18
Total Cost of Sales	2,250.14	1,344.18
TOTAL	62,018.06	42,386.30
EXPENDITURE		
Advertising/Promotional	316.34	
Computer Costs	838.92	543.60
Concert Expenses	894.80	222.50
Instrument Insurance	725.44	663.72
Instrument Purchases	30.99	7.21
Miscellaneous Expenses	532.53	157.35
Music Purchases	300.68	530.78
Office/General Administrative Expenses	26.88	193.82
PayPal Commission		6.54
Phone Costs	51.52	47.88
Printing, Postage and Stationery	71.79	235.78
Rent - All venues	9,976.50	375.00
Salaries	33,103.96	35,739.49
Tour Payments	29614.64	3,910.00
Trailer		204.80
Total Expenditure	76,486.99	42,838.47
NET OPERATING INCOME/(EXPENDITURE)	(14,466.93)	(452.17)
NET INCOME/(EXPENDITURE)	(14,466.93)	(452.17)

Bank balances

Balance held at year-end

	2022	2021
	£	£
Cash Held	0.00	0.00
PayPal	126.37	126.37
Saving / Reserve account	27,670.09	43,656.52
Current account	2,220.50	701.00
Total	<u>30,016.96</u>	<u>44,483.89</u>
Current liabilities		
Tax & NI	0.00	0.00
<i>Cash funds are split between</i>		
Restricted	5,768.42	11,253.43
Unrestricted	24,248.54	33,230.46
Total	<u>30,016.96</u>	<u>44,483.89</u>

Cash movement over the financial year

Opening Bank Balances	44,483.89	44,936.06
Income and Expenditure result (page 5)	<u>(14,466.93)</u>	<u>(452.17)</u>
Closing Bank Balance	<u>30,016.96</u>	<u>44,483.89</u>

Notes to the accounts

<u>1) Donations, Grants & Subsidies</u>	2022	2021
Derbyshire County Council	0.00	1,275.00
Gift aid received	0.00	1,479.16
Other income	145.38	88.25
Payroll Furlough Scheme	0.00	10,004.20
SLA Grant Received	17,000.00	17,000.00
TOTAL	<u>17,145.38</u>	<u>29,846.61</u>

2) Assets for own use

SEDMC own a variety of instruments which are used in the delivery of our music programme throughout the year. These are insured to the value of £81k.

3) Creditors

None for the period

4) Debtors

Gift aid claimed and due to be received in 2022-23	£3.2k
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Glossary of terms

Receipt & Payment accounts

Receipt and payment accounts contain a summary of money received and spent during the period. Usually, this lists cash received, and cash spent either as transactions through bank accounts or by cash in hand.

Bank Funds

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Designated funds are unrestricted funds earmarked by the trustees for a particular purpose.

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

Creditors

These are amounts owed by the charity, but not paid during the accounting period.

Debtors

These are amounts owed to the charity, but not received in the accounting period.

Prepayments

These are services that the charity has paid for in advance, but not used during the accounting period.

Cash basis of accounting (Cash Method)

SEDMC adopts this method of financial reporting for its annual account's submission to the Charity Commission. It is a simple method of record keeping. No prepayments, Accrued income or expenses, no debtors or creditors in the balance sheet. The finance report is purely cash received and paid within the financial year. Notes to the accounts are for informational use and are not shown in the balance sheet of the Cash Method.