



enriching life through music

Trustees' Annual Report and Financial Statements

31 December 2022

MusicAbility Foundation | Charitable Incorporated Organisation
Registered Charity Number 1197197

MusicAbility Centre, 10 Parade Street, Penzance, Cornwall TR18 4BU

Trustees' Annual Report



Contents

Trustees' report	Page
Reference and administrative details	4
Structure, Governance and management	5
Objectives and activities	6
Review of achievements and public benefit for the year	6
Financial review and results for the year	8
Reserves policy	8
Investment policy	9
Statement of trustees' responsibilities	10
 Independent examiner's report	 11
Charity statement of financial activities	12
Charity balance sheet	13
Cash flows statement	14
Notes to the financial statements	15

TRUSTEES' REPORT

For the year to 31 December 2022

The trustees are pleased to present their report together with the audited consolidated financial statements of the MusicAbility Foundation CIO ("the Foundation") for the year to 31 December 2022 and can confirm that the latter comply with the requirements of the Charities SORP 2019.

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 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)."

Reference and Administrative Details

Registered name	MusicAbility Foundation
Charity registration number	1197197

Trustees

The Trustees at 31 December 2022

Alan Beevor
Terry Jane Binns
Melissa Jade Samantha Bird
Jowanna Bridget Conboye
Michael Anthony Conboye
Edward Nicholas Francis-Smith
Julia Havard
Dr Paul James Hodson
John Joseph Maggs
Tanya Maria Ellen Moore

Officers

Chair	Michael Anthony Conboye
Secretary	Julia Havard
Treasurer	Alan Beevor

Senior Management Team

Chief Executive Officer	Tim Boulton
Chief Operations Officer	Ruth Boulton

The principal and operating address of the charity:

MusicAbility Foundation
MusicAbility Centre
10 Parade Street
Penzance
Cornwall TR18 4BU

Structure, Governance and management

Governing instrument

The charity, which is a Charitable Incorporated Organisation, is governed by its Constitution dated 17 December 2021.

Recruitment and induction of trustees

Following a skills audit, trustees are sought whose skills, knowledge and experience are relevant to the administration of the charity and complement the skills of the existing trustees.

New trustees must be appointed by resolution at a properly convened meeting of the charity trustees. The Chair of trustees is responsible for the induction of new trustees.

Trustees on appointment are given:

1. A copy of the Charity Commission's publication "The Essential Trustee: What you need to know",
2. A copy of the charity's current constitution.
3. A copy of the charity's latest Trustees' Annual Report and statement of accounts.
4. A copy of the minutes of recent meetings.

They are given a tour of 10 Parade Street, Penzance and meet the trustees and the senior management team.

Organisation

The trustees formulate policy.

The Chair of trustees is responsible for the administration of the charity.

Operational control is delegated to the Chief Executive Officer and the Chief Operations Officer.

Risk Management

The trustees have assessed the major risks to which the charity is currently exposed, in particular those relating to its finances and its operations (including health and safety) and they are satisfied that systems are in place to monitor and mitigate the charity's exposure to such risks.

They are also satisfied that a robust procedure is in place for identifying and evaluating the risks associated with new areas of activity.

The risk management action plan is reviewed each year.

Objectives and activities

The objects of the CIO are:

To advance education by providing access to music education services and resources for the general public and for young people in particular but not exclusively, in Cornwall and elsewhere in England.

The relief of those in need by reason of youth, age, ill-health, disability, financial or other social disadvantage by the provision of music therapy services in Cornwall.

To advance, improve, develop and maintain public education in, and appreciation of, the art and science of music in particular but not exclusively by presenting concerts, lectures and workshops for the general public in Cornwall.

The trustees are granted wide powers to achieve these objects, which are set out in the Constitution.

Inter alia these relate to:

1. Borrowing money
2. Buying, leasing or hiring property
3. Selling leasing or otherwise disposing of property
4. Employing and remunerating staff
5. Depositing or investing funds

Review of achievements and public benefit for 2022

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities.

As a result of a very generous donation, the charity was able to acquire two buildings in central Penzance. One of them was 10 Parade Street, a magnificent, listed building which the trustees decided would be used for delivering the charity's objects including music therapy sessions, concerts, music education and music rehearsals as well as providing a source of income from letting rooms and the large Assembly Hall. The other building had four flats which would also provide the charity with a regular source of income.

Both these buildings required a significant outlay in terms of repairs and renovation, but the trustees felt this expenditure was necessary to facilitate the use of the Parade Street building for our charitable purposes and to maximise the rental potential of the other building.

There were eight scheduled trustee meetings during 2022 and, as these were held in the early evening, light refreshments were made available for those attending directly from work.

The trustees decided to hold a Visioning & Planning Day at the earliest opportunity following our registration as a charity on 17 December 2021, and we met on 21 February 2022 for what proved to be an extremely valuable exercise giving everyone the opportunity to share ideas about plans for the future, both short term and long term.

The trustees agreed a brief statement for the public, incorporating the essence of the objects:

"MusicAbility Foundation exists to enrich lives by providing flexible, inclusive opportunities for music making, music therapy, education and other events."

This was then condensed into the current strapline “*enriching life through music*”.

During the year, a significant amount of time and effort was devoted to drafting and approving policies and procedures which were considered necessary for the proper running of the charity, including policies dealing with Safeguarding Children, Safeguarding Vulnerable Adults, Conflicts of Interest, Financial Reserves, Procurement, Risk Management and Health and Safety among others. More policies are still at the draft stage and the trustees have set themselves a target to formally approve them in the year ahead.

The trustees decided to go ahead with a website which is now up and running. They also made a clear commitment to make 10 Parade Street fully accessible. The trustees recognised the importance of developing strong links and relationships with the local community and local charities.

In this regard, the charity has been very fortunate to develop a close relationship with a local Community Interest Company – MusicAbility CIC - which has an outstanding reputation, in particular for delivering music therapy. This relationship has been of huge benefit to the charity and the trustees consider that it has been a significant factor in our achieving so much in delivering our objectives in this first year of our operation and they look forward to many more years of such a productive relationship. The charity has also fostered valuable links with other community organisations and local charities.

The full potential of the Parade Street building will only be realised when level access, a lift and suitable toilets are installed. However, the trustees have strived to make the most of the facilities even in a reduced capacity.

The creation of the music therapy room in that building has allowed 50 clients, students and supervisees to attend the centre for therapy during the year. These clients were of a wide age range and with many conditions and mental health needs. Most of them had a programme of therapy, with only a few consultations. The music therapy room has also been enhanced by the gift of a grand piano and new instruments sponsored by a local company.

In addition to individual referrals made by Social Prescribers, local GP surgeries and others, several local primary and secondary schools have referred their students to the service. We also had an MA student Music Therapist with us for the academic year on placement.

There were also 20 students who were seen at Falmouth University in an experiential / academic work.

The main music rehearsal / performance space in the Parade Street building has been home to two regular youth music groups and the Acorn Young People's Theatre. Individual music lessons have also been held there for young people in school as well as from the home education community, and it has also been used for online interactive concerts to residents in care homes across the UK.

In the first year of operation much energy has been put into planning for wider community projects which will start in the new year.

To summarise, in this first year of the charity's operation, the trustees are pleased to report the following:

- The establishment of a well-equipped music therapy room, facilitating long-term therapy for over 50 people.
- Facilitating weekly music groups catering for 25 young people and teaching space for two regular music teachers.
- Regular online interactive concerts were given direct to residents in care homes across the UK.

- Termly concerts were given by young people to parents, carers and families.
- The first stages towards the upgrade of facilities to allow full access and enhanced facilities were taken.
- The drafting and approval of essential policies and procedures.
- The creation and maintenance of our website: [MusicAbility Foundation](#)

The trustees want to express their sincere gratitude for the immense contribution made by both the Chief Executive Officer and Chief Operations Officer in this first year of our operation. Both these posts are voluntary and without the dedication, support and professional approach of both post holders the charity could not have delivered all the achievements listed above. Thank you from all the trustees for all your hard work – it is very much appreciated.

Financial review and results for the year

In the charity's first set of accounts for the period ending 31 December 2022 the Net Income was £575,871 which is a very satisfactory outcome.

Gross Income of £619,860 comprised the donated buildings, independently valued at £550,000; donations of £49,101, rental income of £19,817 and sundry income of £943.

Expenditure totalled £43,990, of which c£32,500 related to building acquisition, repairs & maintenance and 6 months depreciation costs.

Utility and building insurances made up the majority of the balance. In the balance sheet, our total charity funds, none of which is restricted, comprised Fixed Assets of £544,500, cash at the bank of £35,055, less current creditors of £3,684.

Overall, a satisfactory state of affairs in our opening financial period.

The trustees confirmed that funds which had been donated from Penzance Youth String Orchestra Society and Concerts Penzance are put to one side – ringfenced not restricted funds.

Reserves policy

The charity has just completed its first financial year and therefore has only a limited history of income or expenditure to which it can refer.

The positive side of being new is that the charity has little in the way of ongoing financial commitments other than the upkeep of two buildings which it acquired shortly after its establishment. To help cover these ongoing costs the charity has income from lettings from those two buildings.

This currently represents the charity's only source of regular, reasonably well-defined income. As is the case at present, there will be periods when 100% of this income is not forthcoming.

The prime risks to this income are the charity's inability to find new tenants as and when required and/or that one or more of those tenants fails to pay rents as and when due. This is mitigated to some extent by the fact that the charity currently has six letting units in total and therefore the risks are spread over those six units.

The charity's expenditure commitments (i.e. non-discretionary) are similarly centred on the two properties. There is currently less visibility of the ongoing levels of expenses primarily because the charity has only owned them for a few months.

Clearly as time goes on the charity's knowledge will increase and there will be greater and more accurate visibility.

There are, at present, two primary financial risks that the charity faces for which there is a need to have a level of reserves.

The first is that the rental income falls short of expectations due either to tenants leaving and the property being empty for an unspecified period and/or to tenants not paying their rents. The likelihood of all units being empty/non-yielding at the same time should be slim but is not beyond the realms of possibility.

The second is that ongoing expenditure related to the two buildings cannot be covered by regular rental income either because the rental income is interrupted (as above) or an unexpected expense arises, e.g. a major repair/maintenance bill.

Given that uncertainty is going to be at its highest in the charity's early days of existence there is a need to be prudent in setting the initial level of reserves. It is worth noting that Office for National Statistics figures show that in the UK only 40% of business start-ups survive their first five years.

The trustees have agreed a level of reserves of £25,000. This is based on a 30% shortfall for one year in expected rental income plus a building costs contingency of £15,000, to cover a short term unexpected significant repair, for example.

The amount held in reserve will be regularly monitored during the course of each year as the charity's knowledge and experience of its income and expenditure increases and develops.

The level of reserve will be formally reviewed by the trustees at the financial year-end and thereafter at six monthly intervals.

Fundraising policy

After some promising discussions with the Architectural Heritage Fund, an application for funding was made in March 2022, to cover an outline architectural plan including accessibility, quantity surveyor, mechanical, electric and acoustic consultants, and a fundraising consultant.

The fundraising consultant's report had not been received by 31 December 2022.

The charity has not yet carried out any other formal fundraising activity, but occasionally members of the public do make donations which are accounted for through the charity's financial management systems and the charity has more than reached its desired reserve figure.

Investment policy

The trustees are entitled to place funds in any kind of investments that they see fit.

The current policy of the trustees is to hold any surplus funds on short term deposit, applying the income generated to charitable purposes for which the funds are intended.

The trustees recognise that a higher level of return could be obtained by placing funds in riskier equity or other investments. This is outside the parameters of the current investment policy.

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year. The financial statements are required by law to give a true and fair view of the state of affairs of the charity and group, and of the financial activities of the charity for that year.

In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are required to act in accordance with the Constitution of the charity, within the framework of charity law. They are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011.

They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Statement of disclosure to independent examiner

So far as the trustees are aware, there is no relevant information of which the charity's examiner is unaware.

Additionally, the trustees have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant information and to establish that the charity's examiner is aware of that information.

By order of the trustees:



M. A. Conboye

For and on behalf of the trustees

19 October 2023

MusicAbility Foundation
MusicAbility Centre
10 Parade Street
Penzance
Cornwall TR18 4BU

MUSICABILITY FOUNDATION
INDEPENDENT EXAMINER'S REPORT TO
THE TRUSTEES OF MUSICABILITY FOUNDATION

I report on the accounts of the charity for the year ended 31 December 2022 which are set out on pages 12 to 18.

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 charity's accounts carried out under section 145 of the 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

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act.

I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material 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 Act;
or
2. the accounts do not accord with those records; or
3. the accounts 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].
4. 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 Dick Maule FCA Date 23-10-23

Name: Dick Maule F.C.A.

Relevant professional qualification or body

Member of Institute of Chartered Accountants England and Wales

Address: The Cross House, South Woodchester, GL5 5EL

MusicAbility Foundation**Statement of Financial Activities [including Income and Expenditure Account]
for the year ended 31st. December
2022**

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Income from				
Donations		49,101	-	49,101
Donated assets		550,000	-	550,000
Charitable activities:				
Rent and room hire		19,816	-	19,816
Miscellaneous		943	-	943
Total Income		619,860	-	619,860
Expenditure on	(8)			
Charitable activities		43,990	-	43,990
Net income/[expenditure]		575,871	-	575,871
Reconciliation of funds				
Total funds carried forward		575,871	-	575,871

MusicAbility Foundation**Balance sheet as at 31st. December 2022**

	Notes	2022
		£
Fixed assets		
Tangible assets	2	<u>544,500</u>
Current assets		
Debtors and prepayments	3	-
Cash at bank and on hand		<u>35,055</u>
Total current assets		35,055
Current liabilities		
Creditors: amounts falling due within 12 months	4	<u>(3,684)</u>
Net Current assets		<u>31,371</u>
Net assets		<u>575,871</u>
The funds of the charity:		
Unrestricted funds	7	
General funds		31,371
Designated Funds		<u>544,500</u>
Total charity funds		<u>575,871</u>

These financial statements were approved and authorised for issue by the Trustees on **19 October 2023**.



M. A. Conboye

For and on behalf of the Trustees

MusicAbility Foundation**Statement of Cash Flows
for the year ended 31st. December 2022**

	2022
	£
Cash flows from operating activities:	
Net cash provided by [used in] operating activities	585,055
Cash flows from investing activities:	
Interest	-
Purchase of fixed assets	<u>(550,000)</u>
	<u>35,055</u>
Changes in cash in the reporting period	
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year	<u><u>35,055</u></u>

MusicAbility Foundation**Notes to the accounts for the year ended 31st. December 2022****(1) Principal Accounting Policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below.

(a) Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 updated by Update Bulletin 2, and the Charities Act 2011.

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

(b) Fund accounting

[i] Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

[ii] Designated funds are unrestricted funds earmarked by the Management Committee for particular purposes.

[iii] Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(c) Income

Income is included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income. [i] Income received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

[ii] Donated services and facilities are included at the value to the charity where this can be quantified.

[iii] The value of services provided by volunteers has not been included in these accounts.

[iv] Investment income is included when receivable.

[v] Income from charitable trading activity are accounted for when earned. [vi] Income from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

(d) Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered.

MusicAbility Foundation**Notes to the accounts for the year ended 31st. December 2022**

[i] Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

[ii] Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them [iii] All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

e) Fixed assets

Tangible fixed assets are written off over the expected useful life of the asset, at 25% per annum on the reducing balance method.

Items costing over £500 are capitalised.

Property is written off over the expected useful life of the asset, at 2% per annum on the straight line basis

(2) Fixed Assets

	Property £
Additions in the year	<u>550,000</u>
Depreciation charge for the year	<u>5,500</u>
Net book value as at 31st December 2022	<u>544,500</u>

The Old Church House, Vaundeavour Lane, Penznace was valued by David Marshall F.N.A.E.A. at £350,000 on 21 January 2022.

10 Parade Street, Penzance was valued by Miller Commercial Valuers at £200,000 on 14 April 2022.

(3) Debtors

	2022 £
Sundry debtors	<u>-</u>

(4) Creditors

Amounts falling due within 12 months	
Sundry creditors	<u>3,684</u>

MusicAbility Foundation**Notes to the accounts for the year ended 31st. December 2022****(5) Employee information**

Number of employees	-
---------------------	---

(6) Trustees information

	£
Trustees remuneration and expenses	105

Expenses relate to Trustees' travel and subsistence at meetings.

(7) Movements in funds

	Income	Expenditure	Balance Transfers	Balance 31st. Dec 2022
	£	£	£	£
Unrestricted funds				
General Fund	619,860	(43,990)	(544,500)	31,371
Designated funds	-	-	544,500	544,500
Total funds	619,860	(43,990)	-	575,871

The Land & Building Designated Fund was created in 2022 and represents the Net Book Value of the property.

(8) Charitable expenditure

	Total 2022 £
Acquisition costs	7,277
Centre building and repairs costs	14,900
Rented property building and repairs costs	4,673
Centre utility costs	4,556
Rented property utility costs	1,941
Office costs	611
Trustees meeting refreshments	105
Insurance	3,177
Publicity	120
Miscellaneous	355
Depreciation	5,500
Independent examination	775
	43,990

(9) Analysis of net assets between funds

	General Funds £	Designated Funds £	Total £
Fixed assets	-	544,500	544,500
Current assets	35,055	-	35,055
Current liabilities	(3,684)	-	(3,684)
Net assets at 31st December 2022	<u>31,371</u>	<u>544,500</u>	<u>575,871</u>

[10] Reconciliation of net income/ [expenditure] to net cash flows from operating activities

	2022 £
Net income/[expenditure for the year [as per SoFA].	575,871
Adjustment for:	
Depreciation charges	5,500
Increase/ [decrease] in creditors	<u>3,684</u>
Net cash provided by [used in] operating activities	<u>585,055</u>