



# **NATIONAL FEDERATION OF MUSIC SOCIETIES**

Trading as Making Music

## **Annual Report and Financial Statements**

**For the year ended 31 December 2021**

Company Number 308632

Registered Charity in England and Wales Number 249219

Registered Charity in Scotland Number SC038849

## Contents

Directors' and trustees' report .....	1
Independent auditor's report .....	25
Consolidated statement of financial activities .....	29
Consolidated balance sheet .....	30
Charity balance sheet .....	31
Consolidated statement of cashflows .....	32
Notes to the financial statements .....	33



*Blackpool Symphony Orchestra rehearse with distancing*



*North Kingston Choir rehearse in a school playground*

## Reference and administrative details

Name of Charity	National Federation of Music Societies trading as Making Music	
Company Number	308632	
Charity Number	249219 (England) SC038849 (Scotland)	
Principal Office & Registered Office	8 Holyrood Street London SE1 2EL	
Directors and Trustees	Dorothy Wilson MBE FRSA Clare Birks Celeste Berteau Peter Burchill Abigail Charles Robert Guest Paul Graham Rhiannon Harrison Edward-Rhys Harry Paul McKinley Carol Pemberton MBE Andrew Rixon Valerie Taylor Neil Weir	<i>Chair</i> <i>Vice Chair &amp; Treasurer</i> resigned 11 March 2022 appointed 8 September 2021 retired 8 September 2021  appointed 30 May 2022    appointed 30 May 2022
Key Management	Barbara Eifler Helen Evans Ben Saffell Natalie Joanes	<i>Chief Executive</i> <i>Finance Director</i> <i>Membership &amp; Operations Director</i> <i>Communications Director</i>
Bankers	CAF Bank Ltd 25 Kings Hill Avenue West Malling Kent ME19 4JQ	Flagstone Investment Management Clareville House 26-27 Oxendon Street London SW1Y 4EL
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE	
Independent Auditor	Amy S Healey FCA CTA DChA Lindeyer Francis Ferguson Limited Chartered Accountants North House 198 High Street Tonbridge Kent TN9 1BE	

The trustees (who are also the directors of the company for the purposes of company law) present their report together with the audited group and parent charity financial statements for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and in accordance with the governing document, current statutory requirements and 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 Republic of Ireland (FRS 102)" (effective 1 January 2019) - (Charities SORP).



*Arun Choral society rehearse socially distanced in a barn*



*Andover Ladies Choir rehearse indoors with measures in place*

## Making Music - who we are

Making Music is a charity and the UK association for leisure-time music, with 3,800+ music groups in membership, comprising around 220,000 hobby musicians.

We support our members with practical services and artistic development opportunities, we connect them with each other, the wider sector and relevant other organisations, and we celebrate and advocate for the leisure-time music sector and its benefits - physical, social, psychological, educational, economic - to individuals, communities and policy makers.

## Summary of the year

**2021 was still dominated by Covid-19, but marked by a gradual, if stuttering, return to some in-person activity.**

Starting with a lockdown for the first quarter, restrictions were gradually lifted for music groups in England, but there was consternation when from May 2021 all music groups were able to meet indoors and outdoors in greater numbers bar choirs which remained limited to the now infamous 'rule of 6' for an additional two months.

Meanwhile, the other UK nations were a little slower in removing restrictions. Throughout 2021, therefore, Making Music was constantly re-evaluating what leisure-time music groups could or could not do, how they might go about organising safe rehearsals and performances, and **lobbying governments for clarity on rules and parity with other grassroots** community activity, such as sport clubs.

Making Music continued to adapt its guidance and resources rapidly to the changing situation. Our **acclaimed free online guidance tool** gave (and continues to give) up-to-date detail on the regulations affecting both rehearsals and performances in the four nations **viewed 1.4m times in 2021 (2.6m times since its launch in July 2020 to March 2022).**

As in-person activity gradually resumed, our Virtual Concerts (started 2020) concluded, but the **appetite for digital learning continued** - we published more resources and ran webinars on various topics, including outside broadcast software. This partly reflected groups' newly found skills which many are continuing to deploy to run the group (e.g. in a hybrid fashion) and to share its content. But it was also a sign of the increasingly large disparity between those keen to resume in-person activity as soon as allowed and those reluctant to get together with others in an enclosed room, meaning that many groups started mastering the art of hybrid events in order to accommodate both ends of these divergent personal risk thermostats, for both members and audiences.

The longer the lockdown had lasted in a nation, the harder the return to live meetings became. More and more, therefore, as well as learning how to create safe events, **committees were also wrestling with the wide range of opinions amongst their members** and finding themselves often at risk of displeasing most of the people most of the time, whatever they decided.

This led, anecdotally, to more than usual of these dedicated volunteers, overwhelmed by these challenges, choosing to step down or retiring. That development will mean a **shortage of volunteers** if left unchecked, and is likely to continue in 2022, making an existing pre-pandemic issue much more acute.

Another challenge rising to the surface in 2021 with the return of activity was that of **rehearsal spaces and performance venues**. Again, this was a rumbling problem before Covid which has now been thrown into stark relief:

- Some buildings were slow to re-open, or did not re-open at all; volunteers running buildings were facing the same disagreements and fears as volunteers on group committees, and many feeling themselves unequal to carrying the burden of what could be life and death decisions, chose simply to stay closed
- Adequate ventilation is not available in much of the UK's building stock, especially older community or faith buildings frequently used by our members
- Many groups were looking for larger venues to accommodate social distancing, but were struggling to find or afford such venues
- Additional issues were created by how a venue handled Covid.

Finally, leisure-time music groups were significantly impacted financially, with nearly **two thirds now having a turnover below £7,200** where pre-pandemic fewer than half of them were so small. Their income will of course rebuild, but to ensure groups survive to see that day, and to help speed up post-Covid recovery, including additional costs incurred for risk mitigations, we found ourselves providing more funding guidance and support than we would in more usual times.

The other significant piece of work we embarked on was to review our **Equality, Diversity and Inclusion** policy and to spend time and effort on developing a detailed EDI plan to sit alongside it. We are looking to achieve real change in terms of removing barriers to access and increasing the diversity of voices involved in Making Music on three levels:

1. Making Music itself, its team and volunteers, including its Board of Trustees
2. Making Music's member groups, in terms of their genres and types, our offer to community groups, and how/where it is communicated
3. Helping Making Music's member groups themselves to increase access to their activity and become more inclusive and representative of the diversity in their respective communities.

## Objectives and activities

### What does Making Music do?

- **Support members:** practical services and artistic development opportunities; facilitate and build connections, to enable everyone and anyone to set up and run a leisure-time music group, and for groups to keep growing, find inspiration and aspire to excellence; celebrate and highlight our members' achievements; and stand up for their needs with policy makers and other stakeholders.
- **Support leisure-time music:** stand up for and celebrate the leisure-time music sector (of which our members are part) to policy makers so that policy can take into account the individual and community benefits of participating in music as a hobby; and to the general public so that more new people are able to draw down such benefits and may be encouraged to join one of our member groups.



## Our vision

Everyone has opportunities within reach to make and present their kind of music with others.

## Our mission

Making Music is a membership organisation which supports, stands up for and celebrates groups of people making and presenting music together in their leisure time across the UK.

## Our objectives

Our current business plan, due to end 2021, was extended for an additional year due to the impossibility of future-gazing whilst the pandemic was still in full flow, therefore Making Music during 2022 will continue to ...

1. **Support members:** Help Making Music groups become stronger and better able to connect with new members and audiences.
2. **Support members/support leisure-time music:** Stand up for and celebrate Making Music groups, their members, and others coming together to make or present music in their leisure time across the UK.
3. **Support members/support leisure-time music:** Invite and welcome all kinds of music groups to become part of the Making Music community.

## How do our activities benefit the public?

Our main activities and who we support are described below. All our charitable activities focus on our charitable objective to 'maintain, improve and advance education by promoting the art and practice and public performance of music throughout the United Kingdom and in other countries' and are delivered to further that charitable purpose for the public benefit. The trustees have complied with their duty to have regard to the Charity Commission's guidance on public benefit when exercising any powers or duties to which the guidance is relevant.

The trustees are confident that Making Music's activities offer public benefit:

- All individuals in society have the potential to benefit from the activities of Making Music, for example its publicly available search facility on the website ('Find a Group'), and from the activities of its members, either by joining a leisure-time music group or experiencing their performances, workshops and other events.
- Making Music's advocacy work is of benefit to all, whether or not they are involved in music already, by seeking to maintain or establish an environment in which live music-making by and for everyone can flourish and be available to participants and audiences in communities across the UK.
- In 2021, Making Music's popular online Covid guidance tool, accessible to all, allowed music groups to understand what activity they were permitted to undertake at any given time in any of the four nations of the UK, with almost daily updates at times.
- There are no restrictions on membership of Making Music, any leisure-time music group can become an Associate Member, although Full Membership is restricted to not-for-profit constituted groups.

- Financial assistance with joining Making Music is considered in cases of individual hardship. Since 2015 Making Music has had a specially reduced rate (50% discount) for new groups just setting up and for youth groups (25%) where participants are 21 or under.

## How does society benefit?

Leisure-time music groups made up of hobby musicians create many benefits for the individuals taking part in their musical activity; for the individuals experiencing the resulting performances; and for the communities in which they are active.

- **For individuals**, there is now a large and growing body of research which provides clear evidence of the social, educational, physical and mental health and well-being benefits of group music activity.
- **For society**, there is a developing evidence base to show that connectedness across socio-economic and cultural divides within communities through group activity brings many benefits to a local area, including making it a more desirable place to live and work, contributing to place-making and regeneration.
  - Leisure-time music groups also raise millions of pounds annually for local charities and community resources.
  - For their audiences, the events our members present may be the only locally available and accessible live music, so for them, too, there are social, educational and well-being benefits.
  - These locally created and promoted events also play a significant part in generating pride of place and raising the ambitions of a community.
- **For the economy**, these groups collectively have a significant financial impact. Whilst small individually (83% have a turnover of below £14.5k a year), they are estimated to be around 13,500 in number across the UK, comprising around 750,000 participants. 98% of them engage professional musicians in some capacity (conductors, soloists, accompanists, etc.), with fees an estimated £86.4m a year; commissioning 2,000 new pieces of music annually; spending significantly with suppliers such as music publishers (£6.4m a year), retailers (instruments, accessories), on promotion, etc.

All these benefits are created by usually very small volunteer-led and run groups. Making Music's support enables them to continue providing these benefits to individuals and society and facilitates more and different people benefitting by joining or setting up such music groups.

“ Making Music has been absolutely fantastic throughout the pandemic and it has been so good to be able to speak to others all across the UK and beyond and hear how they have coped, discuss ideas and just support each other so, to hear some of the wonderful projects people have worked on during this time is truly inspirational...” ”

Making Music member



## Thanks

The Board would like to thank the staff throughout the UK who continue to put in huge efforts on behalf of members. We are fortunate that every member of staff is deeply committed to the cause of live music-making in communities. In 2021, whilst still often working from home, not always in ideal circumstances, they continued tirelessly to support members and respond to their needs.

Our thanks also go to the funders who supported activity during 2021. These are: Arts Council England (ACE); Creative Scotland; PRS for Music Foundation; Philip & Dorothy Green Music Trust; Pauline Thompson legacy.

Making Music also owes its 98 volunteers a large debt of thanks and would like to take this opportunity to thank them and pay tribute to their dedication and enthusiasm:

1 President, 12 Board members, 65 Listeners, 9 Selected Artists Panel members, 2 Funding volunteers, 2 Digital volunteers, 1 Web Content volunteer, 4 Member Contact volunteers and 2 Office volunteers.

## Achievements and performance

### 1. Supporting members

**Helping Making Music groups become stronger and better able to connect with new members and audiences, practical services and artistic development opportunities.**

Our tailor-made affordable insurance covers all aspects of leisure-time music group activity and is made possible by our buying power on behalf of over 3,800 groups.

- **93% of members took insurance in 2021 (2020: 94%)**

We offer:

Guidance on Performing Right Society (PRS) responsibilities and a way of declaring and paying PRS royalties for performances in unlicensed venues via us, with a discount. In 2021, there was still only limited in-person activity, so we will again be collecting a reduced amount in terms of royalties (compared to pre-pandemic) in 2022.

- **£15,634 royalties collected from members (2020: £48,421)**

Safeguarding guidance, templates, training, online resources, Disclosure & Barring Services checks.

- **259 DBS checks carried out (2020: 191)**
- **54 people from 24 groups (2020: 34 people from 13) undertook specially developed online safeguarding training**
- **141 page views of online safeguarding guidance (2020: 312)**

Advice and support via email or telephone from friendly and well-trained staff who understand how groups are run and what their issues are; this continued to be an important and valued service in 2021. We also carried on open-access online member meet-ups with break-out rooms facilitated by staff which enabled members to ask questions on topics of concern.

- **Over 1,315 phone calls with 981 groups, in line with 2019 activity (2020: over 2,390, with 1,058 relating to Covid)**

200+ online resources in three categories: ‘have to know or do’; ‘help to run the group better’; ‘inspiration for a brighter future’. Resources include written and audio-visual guidance, template policies and contracts, case studies and online tools. In 2021, Making Music continued to produce new resources to support members with Covid questions and issues in three categories: *legal/compliance* during Covid-19, including guidance on permitted activity; ‘*how-tos*’, e.g. rehearse on Zoom, edit audio and video, risk assess for in-person return; *inspiration*, how to keep up social and musical activity remotely during the pandemic. However, we also returned to creating resources on non-Covid related topics.

- **42 new online resources (2020: 54)**
- **573,429 unique views of resources pages (2020: 391,083)**
- **1.43m total website page views (2020: 1.55m)**

Dissemination of information: Highnotes membership magazine three times a year; iNotes monthly e-newsletter; emails on specific opportunities.

- **6,890 received Highnotes (2020: 7,030)**
- **12,805 on iNotes mailing list (2020: 11,587)**
- **194 broadcast emails to 816,251 recipients (2020: 209 to 677,744)**

Discounts and subsidies: discounts negotiated with corporate members and partners; subsidies towards cost of engaging professional musicians; in 2021, in-person events were still restricted, so artists’ subsidies continued to be used also for online events and livestreaming.

- **Subsidies of £4,600 to 22 groups towards engaging Philip & Dorothy Green Young Artists, including 2 livestreamed recitals; (2020: £6,500 to 29 groups)**
- **Subsidies of £2,700 for livestreaming recitals from other artists (2020: £600)**
- **Subsidies of £1,711 to 18 groups towards artists’ costs (2020: £1,775 to 14 groups)**

Specific services: e.g. charity registration service, Orchestra Tax Relief (OTR) service, MM Platform (online admin/website template). In 2021, these services continued to be provided, although reduced OTR numbers reflect the cancellation or inability to arrange concerts during Covid.

- **18 groups helped to register as charities (2020: 11)**
- **4 new groups claimed Orchestra Tax Relief (2020: 15)**
- **44 successful OTR claims (2020: 54)**
- **£56,554 OTR claimed for members (2020: £149,280)**
- **80 MM Platforms set up (2020: 70)**

Promotion: 'Find a group' online tool enables the public to discover a leisure-time music group near them; vacancies allow groups to engage the music professionals they need; from events listings the public can discover performances in their area. In 2021, **some** of these tools started being used more again as groups' in-person activity started returning.

- **47,689 Find a Group pages viewed (2020: 50,018)**
- **66,313 Vacancy pages viewed (2020: 58,929)**
- **86,531 Events pages viewed total, including MM events (2020: 94,046)**

Artistic development: Adopt a Music Creator; legacy pieces free to Making Music groups. In 2021, the 2019/20 and the 2020/2021 cohort of groups matched with music creators continued working. Five of the seven 2019/2020 pairings managed to conclude their projects by the end of the year, however none of the 2020/2021 projects concluded due to Covid; so we adjusted the timeline to start the next cohort in January 2022.

- **2020/2021: 7 additional music creators 'adopted' by 8 groups (one collaboration between 2 groups) (2019/20: 7 by 7 groups)**

Artistic development: support for instrumental group conductors. In 2021, there was one event in between lockdowns.

- **Masterclass for conductors with Sing for Pleasure's Head of Conducting Manvinder Rattan, 6 attendees**

Programming and repertoire inspiration via our online Music Bank database and via Musica International, a choral database to which we subscribe to give our members full access.

- **18,777 artistic works listed (2020: 18,777)**
- **13,243 items of sheet music available through member-to-member exchange (2020: 13,682)**
- **5,693 programme notes available free (2020: 5,693)**
- **10,718 Music Bank webpages viewed (2020: 10,932)**

Our annually published Selected Artists guide details artists available with subsidies for engagements with leisure-time music groups. In 2020, the guide was published later than usual and it will now continue to run until February 2023 when it will become an online database and resource as part of our new website.

Events: in 2021, we continued to deliver all our events online, involving a high number of our members. We ran the annual general meeting, our awards ceremony, a Making Music (consultative) Council, general member meet-ups, separate meet-ups in each UK nation, expert/speaker-led events, and events focussed on specific topics, with high attendance and incredibly positive feedback.

- **70 online events for 4,159 attendees (2020: 15 in person events and 74 online events for 3,974 attendees)**

	Info & Advice events	General meetups (incl. nation specific)	Guest speaker events	All events
No. of events	49 (36)	11 (34)	10 (4)	70 (89)
Total number of event attendees	n/a	n/a	n/a	4159 (3974)
Unique attendees	1286 (n/a)	314 (n/a)	1016 (n/a)	2313 (3974)
First-time attendees	708 (n/a)	82 (n/a)	525 (n/a)	1479 (1315)

“ *Thank you for the great presentation. As usual, it was thoroughly researched and clearly presented... stellar work, especially considering how much confusion and uncertainty is still swirling around government's ever-shifting guideline ...* ”

#### Making Music member

We held one online Making Music Council meeting

- **1 meeting for all 4 nations (2020: 6 in 4)**
- **77 attendees (2020: 82)**

We benefitted 2.2% (2020: 1.5%) more groups, showing the impact of a dedicated marketing manager since November 2020.

- **3,196 full members (2020: 3,146)**
- **302 associate members (2020: 311)**
- **415 affiliate members (2020: 371)**
- **TOTAL 3,913 (2020: 3,828)**

This breaks down as supporting:

- **2,138 singing groups - 55% of members (2020: 2,113; 55%)**
- **1,371 instrumental groups - 35% of members (2020: 1,293; 34%)**
- **404 promoters - 10% of members (2020: 448; 11%)**

Groups' annual income based on their published 2020/2021 accounts (2019/20 in brackets):

- **Less than £7.2k: 64% (50%) (compared to 46% pre-pandemic)**
- **£7.2k-14.5k: 19% (23%)**
- **14.5k-£21k: 7% (10%)**
- **£21k-£31k: 4% (7%)**
- **£31k-£100k 6% (8%)**
- **More than £100k: 2% (2%)**

With no event ticket income and in most cases reduced subscription income from their participants during most of 2020 and 2021, **the full impact of the 2020/21 standstill in activity was seen even more starkly when groups renewed for 2022.**

## **2. Supporting leisure-time music / supporting members**

**Stand up for Making Music groups, their members, and others coming together to make or present music in their leisure time across the UK**

This strand of our activity changed in 2020, becoming a much more vital part of our activity, as our members and the sector looked to us to make their voices heard to policy makers. This was further developed during 2021 and is now a core part of our work on behalf of the leisure-time music sector.

The way our lobbying and advocacy was carried out has also been permanently affected by Covid which has moved most meetings and networks online. The value of in person meeting continues to be recognised, but there seems to be a focus on a few well-attended events (e.g. one-off/annual conferences), with most other events staying online.

### **1. Covid-19 continued to dominate**

Following the lockdown in the first three months of 2021, activity was gradually allowed to resume, except in England, where first leisure-time groups' outdoor activity, and then choirs indoor activity remained restricted beyond the date originally set by government, causing an outcry. Members of member groups in constituencies throughout the UK wrote to ministers and their MPs about this issue, causing surprise and consternation, as the significance of such community activity for individuals' wellbeing had not been realised by politicians or civil servants. Over 30 parliamentary questions on the issue were tabled and led to an interim solution being identified until the next set date for official relaxation of restrictions.

Making Music again worked closely with other organisations, including **Singing Network UK** (which we convene) and additionally the **Musicians Union** and **Association of British Orchestras (ABO)**, on communicating with the Department for Digital, Culture, Media and Sport (DCMS), and other departments (Cabinet Office, Department for Health and Social Care, Department for Levelling Up Communities and Housing) on this and other Covid-related issues. We attended regular meetings hosted by the Cabinet Office on messaging to communities about Covid behaviours.

Our managers in Wales, Scotland and Northern Ireland also stayed in close contact with their respective ministers and civil servants in order to clarify or seek to adjust Covid regulations which impacted on leisure-time music activity and contribute to relevant consultations. Follow up work included a meeting with senior civil servants from DCMS, and the Deputy Minister for Arts and Culture in Wales speaking at one of our open events.

After 'Freedom Day' in England, restrictions were also gradually removed in the other nations, so most groups resumed full in-person activity from September 2021, though many retained hybrid rehearsals to cater for more vulnerable or anxious group participants. Concerts and other public events also started again from July 2021.

**WellRehearsed:** in order to collect better data on the safety of group music activities, we developed an app with partners **Association of British Choral Directors (abcd)**. This allowed groups, once registered, to report on in-person rehearsals and subsequent Covid infections, if any. The aim was to see whether which mitigations were effective at minimising risks of transmission during group activity.

**Member Covid survey:** we ran the third and last survey of members on Covid in March 2021, which revealed that groups were keen but cautious about returning to in-person activity, and that 68% had carried out activity online during the pandemic, either starting straight away in March 2020 or at some point over the year leading to March 2021. 17% had held digital concerts and 26% had produced virtual performances, an astonishing level of skills development for volunteers, usually without prior experience at hosting online activity, sound or video recording or editing, livestreaming or any of the technology involved.

**Leisure-time music and Covid abroad:** Making Music continued to collect research and attend occasional meetings of non-UK networks, e.g. a regular round table on amateur music by a German MP, meetings with the European Orchestra Federation and an Italian wind band association, in order to compare best practice and gather new learning to apply to UK leisure time music in times of Covid.

## 2. Non-Covid challenges started making a comeback

**Music libraries:** i.e. the provision of multiple copies of sheet music via the public library system. After a year or more of no activity and ever increasing pressures on local authority budgets, this issue returned more strongly than ever.

- **New Surrey Performing Arts Library (NewSPAL)** was due to take over the performing arts collection from Surrey County Council and open in a building in Woking in 2020. The borough council withdrew their offer post Covid, so the charity resumed its search for a building. In 2022, an agreement with Surrey Libraries will see the service open as an independent provider located in a building also used by Surrey Libraries in Ewell. The operational launch of NewSPAL in July 2022 will mark exactly five years since the collection was first considered for closure or dispersal by SCC in 2017.



- **Music Libraries Trust (MLT)** published research by Dr Michael Bonshor to establish the future needs of music library staff and users, and held two webinars to discuss the findings. Work commenced, and completed in 2022, on developing a future vision for music libraries in the UK, in partnership with IAML, the International Association of Music Librarians (UK and Ireland Branch), based on this and three previous reports. The vision document will seek to convene a steering group to develop and implement a roadmap to future accessible and sustainable provision.
- We also engaged with **Norfolk Music Library**, spoke at the **IAML annual study weekend**, and facilitated dialogue between staff and users at **Trafford Libraries**, to successfully prevent the withdrawal of sheet music availability via Inter Library Loans.

**Protect Duty consultation:** the government consulted on new Protect Duty legislation, following on from the Manchester Arena terrorist attack, which would put new duties on venues and event organisers to risk assess and mitigate against terrorist activity. We consulted with members and other networks affected (Church of England, ACRE which represents village halls etc.) to respond to the consultation and urge consideration for low risk, volunteer-run community activity and spaces. The government response makes it clear that legislation will be introduced, but says concerns have been heard and will be addressed.

- Other consultations responded to included one by PRS for Music on **Online Live Concert licensing**, a consultation on proposed **Covid certification**, and one on **Higher Education cuts** to arts provision.

**Music education** was not a strong feature of our work in 2021, though we did resume dissemination of our 2020 **Adult Music Education manifesto**, including speaking at a meeting of the Association of British Orchestras' Education Managers and discussing it in a meeting with DCMS officials.

- Our CEO also spoke at a Music and Wellbeing seminar hosted by the Music Education Council, and attended the Music Industries Association's Education Committee.

**Venues and rehearsal spaces** became a growing feature of our work in 2021. Pre-Covid issues around the lack of availability of hyper-local suitable (size, equipment, transport links etc.) and affordable spaces for regular activity were exacerbated by Covid when groups needed larger spaces to allow for social distancing, and with good ventilation, and when many venues, also run by volunteers, were fearful and slow in re-opening. In Northern Ireland, Making Music's manager succeeded in raising this topic with six of 11 local authorities, in Wales Making Music's manager contributed to a venue and rehearsal space mapping project, in Scotland the issue was raised with the government via advocacy network Culture Counts, and in England we collaborated with ACRE, the network for village halls.

The **Orchestra Tax Relief extension** introduced in the autumn 2021 budget will help instrumental group members as they return to activity, allowing for higher claims for a period, tapering back to pre-Covid rates by April 2023.

**Brexit** became reality in January 2021 and had some impact on our members in terms of changes when engaging artists from the European Union. Concerns emerged for groups planning European tours to undertake concerts and take part in events.

### 3. Advocacy, networking, representation

#### Speaker-led public events

We continued this highly successful series of events, which are available to anyone (including non-members) and held on Zoom, featuring experts on a particular topic and allowing 30-45 minutes for audience questions, meaning attendees generally are able to have access to experts for their particular queries.

#### *Topics for 2021 were:*

- January - Professor Jackie Cassell of Brighton Medical School on the latest Covid research
- February - Vick Bain of Attitude is Everything and Rebecca Di Rollo of Drake Music Scotland on inclusive music activity and events
- March - IT consultant David Lake, Robin Simpson of Northampton Symphony Orchestra and digital producer Leon Gower on digital tools for making music together online (e.g. Jamulus)
- April - fundraising consultant John Rostron, and grant makers Arts Council England and Ty Cerdd on writing funding bids
- May - projects and opportunities for music groups, with Thank You Day, Fun Palaces, Ralph Vaughan Williams anniversary, Learn to Play Day, Make Music Day UK
- June - an update and Q&A with Professor Jackie Cassell
- September - workshop with the Parliamentary Outreach Team of the Houses of Parliament
- October - climate change with Chris Hutchins of Choirs for Climate website, Alison Burnley from Oi Musica/Let It Grow project, and Nina Vinther, singer and climate campaigner
- November - ventilation with Professor Jackie Cassell, Dr Colin Axon, Senior lecturer in Engineering at Brunel University, and Professor Robert Dingwall, Emertius professor of sociology, Nottingham Trent University. This attracted a record 450 attendees

**Singing Network UK**, hosted and convened by Making Music, is a free network now including over 30 UK umbrella organisations with an interest in singing. It met three times via Zoom during 2021.

#### **Events we spoke at on behalf of members and the sector during 2021:**

Abcd conference session; IAML study weekend; ABO Education Managers meeting; podcast for Total Choir Resources; European Orchestra Federation online event

#### **Events we attended on behalf of members and the sector during 2021:**

- Centre for Cultural Value event on research needs of the sector
- National Music Council/Music Network UK round tables
- Music Steering Group for Thank You Day, an initiative by the Together/ Foundation
- Voluntary Arts, now renamed Creative Lives: various events
- Singing for Health Network inaugural meeting
- What Next? advocacy network meetings, including one with new arts minister Lord Parkinson

#### **Organisations we met with on behalf of members and the sector during 2021:**

- Musicians Union
- National Rural Touring Forum
- Chiltern Music Therapy
- Music Mark
- The Poetry Society/59productions

- Awards for Young Musicians
- British and International Federation of Festivals
- Ralph Vaughan Williams Trust
- British Association of Concert Halls
- Workers Educational Association
- Professor John Sloboda of Guildhall School of Music and Drama
- Royal Schools of Church Music
- PRS for Music
- Gospel Music Industries Alliance
- Sing Ireland
- Classic FM
- European Orchestra Federation
- Tavolo Permanente (Italian wind band association)

**Amateo**, the European Network for participation in cultural activities. Our CEO continues on the board of this network, attended the in-person conference in Milan and presented the annual Amateo Award in a hybrid ceremony livestreamed across Europe.

## UK nation specific

### Scotland

- Made a written submission and was invited to give evidence to the Scottish Parliament Culture committee for their pre-budget scrutiny.
- Attended several meetings of the Scottish Parliament Cross Party Group on Music.
- Continued to be an active member of the Music Education Partnership Group (MEPG).
- Contributed to the work of Culture Counts, the advocacy network, particularly on venues, and responded to the consultation on the National Planning Framework.
- Worked with member groups to formulate four asks from parties around spaces for music making, free instrumental tuition in schools, music as a wellbeing activity and a Culture Act for Scotland in the run up to elections to the Scottish Parliament in May. A three year campaign led by MEPG to which we contributed resulted in every party in the election pledging to provide free instrumental tuition in schools, including the eventual winners, Scottish National Party.
- Contributed to the Green Guide written for the classical music sector in Scotland by the Scottish Classical Music Sustainability Group.
- Attended the new Culture and Wellbeing Community Network
- Engaged and supported the (musical) Let It Grow project accompanying the COP26 conference in Glasgow

## Wales

- Engaged with and represented Making Music members and the sector on the Welsh government Creative Wales Music Stakeholder Group, Music Partnership Forum Wales, What Next? Wales, Wales Cultural Alliance, Ty Cerdd.
- Contributed to discussions around the National Plan for Music Education.
- Analysed and highlighted arts and culture aspects of party manifestos for member groups in the run up to the Senedd elections in May 2021.
- Worked with a venue and rehearsal mapping project which is yet to report.

## Northern Ireland

- Made a submission to the Culture, Arts and Heritage recovery taskforce highlighting the importance of leisure-time music to communities and the professional music sector.
- Worked with Queens University Belfast to identify and roll-out relevant research to be carried out by postgraduate students on the size of the leisure-time music sector.
- Engaged with Belfast's ultimately successful bid to be UNESCO City of Music 2023.
- Started exploring the setting up of an All Party Group for Music at Stormont, in partnership with Ulster Comhaltas.

## Celebrate Making Music groups, their members, and others coming together to make or present music in their leisure time across the UK

Promoted leisure-time music groups via our online Find a Group tool, our Events calendar, our communications, including Highnotes magazine, iNotes e-newsletter, Selected Artists Guide, PR, social media (Twitter, Facebook and Instagram).

Concluded our series of **Virtual Concerts** with two final ones in 2021. All 12 concerts, still available on YouTube, have showcased the breadth, variety and quality of leisure-time music groups to a total of 25,382 viewers.

- 3 editions of Highnotes (2020: 3)
- 12 editions of iNotes (2020: 16)
- 9 press releases (2020: 9)
- 2 Virtual Concerts (2020: 10)
- 21,069 followers on Twitter (2020: 20,199)
- 2,407 on Instagram (2020: 2,035)
- 38,469 Facebook page engagements (2020: 77,462 - early pandemic engagement)
- 25,384 views of Virtual Concerts on Youtube across 2020 and 2021
- 1,636 subscribers to YouTube channel (2020: 1,158)

Offered **performance opportunities** to groups, e.g. on Make Music Day (21 June annually), to highlight the achievements and offer of leisure-time music groups to a wider public, locally, nationally and internationally.

**Make Music Day (21 June) was hybrid in 2021.** Due to varying regulations in the different nations and a last minute postponement of 'Freedom Day' to July, it was difficult to know how much in-person activity member groups would be able to undertake. We therefore focussed on outdoor activity - populating the bandstand in Enniskillen, Glasgow, Newport ... and a garage in London when live activity was not possible at the last minute.

We contributed to the UK-wide broadcast which featured 30 minutes of Making Music member activity across its 7 total hours. There was additional time allocated to Scotland where thanks to funding there was a lot of activity on the day, mostly digitally.

We chaired the steering group of Make Music Day UK 2021. Its achievements were:

- **7 hours over three broadcasts on YouTube; total performances: 3,589; total performers: 31,122; total in-person audience: 37,185; total online audience: 293,151**
- **Helped Make Music Day UK set up as separate company limited by guarantee; appointed two new co-directors, Paul Gudgin and Robert Guest, after Project Manager Alison Porter stepped down after 5 years**

Developed **broadcast opportunities**, e.g. Classic FM annual broadcast of carols by Making Music groups; BBC Radio 3 broadcast of Adopt a Composer pieces, including interviews, to raise the profile of groups and the sector.

- **5 groups featured on Classic FM Drivetime in December 2021 (2020: 5)**
- **6 groups featured on BBC Radio 3 as part of Adopt a Composer project in Jan 2021 (2020: 6)**

We continued with the **awards** started in 2020, again announcing winners in an online award ceremony. We paused the photography award, as groups had not been able to meet in person. The Virtual Concert award was discontinued, but we introduced **three new awards**. The aim is to celebrate and highlight the achievements of the leisure-time music sector.

Lady Hilary Groves Prize, for an individual who has made a significant contribution to the musical life in their community; Best Music Creator for a leisure-time music group; Best Arranger for a leisure-time music group; Best Project with New Music; **New** Group Hero (people's vote); **New** best vocal group Music Director; **New** best instrumental group Music Director. The 2021 winners were:

- **Lady Hilary Groves:** Derek Harrison of the Hertford Choral Society
- **Best Music Creator:** Neil Brownless, for Abingdon Concert Band
- **Best Arranger - joint winners:** Paul Ayres, for Harrow Choral Society; Michael Betteridge, for The Sunday Boys
- **Best Project with New Music:** Bristol Choral Society - The Mary Otty Christmas Carol Composition Competition
- **Best vocal group Music Director:** Hilary Campbell, Chiswick Choir and Bristol Choral Society
- **Best instrumental group Music Director:** Robert Baxter, Helensburgh Orchestral Society, Glasgow Chamber Orchestra and Dunbartonshire Concert Band
- **Group Hero (People's Vote):** St Neots Choral Society committee

Contributed nominations to the *Royal Philharmonic Society's new Inspiration Award* and sat on the judging panel to shortlist. The winner was a Making Music member, **Bristol Choral Society** and their music director Hilary Campbell.

We re-appointed **Debbie Wiseman OBE as President**.

### 3. Supporting leisure time music / supporting members

Invite and welcome all kinds of music groups to become part of the Making Music community

#### What we did in 2021

This objective from 2017 led to research into leisure-time music across a variety of musical genres, and their need for support, development and a voice. The research concluded in 2018 with the *Exploring Music Making* report, and a Stage 1 implementation plan. As part of that, we extended our offer to a wider range of community music groups.

Planned activity in 2020 and 2021, especially around supporting **promoters in jazz, folk, and small volunteer-run festivals**, was again delayed due to Covid and related capacity issues.

Our **guidance tool - Can I get back to meeting in person?** - launched in July 2020, remained freely available for the whole sector during 2021, with continual, sometimes daily updates, as restrictions and regulations changed in the four UK nations.

This strand of our work has now been absorbed into a broader Diversity and Inclusion strand which we started developing in 2021. After a review of our Equality Diversity and Inclusion (EDI) policy, we completely rewrote the accompanying EDI Plan, and identified three parts to this work which we are focussing on:

- Inclusion of diverse voices at Making Music as an organisation: the staff team, and volunteers (including trustees)
- Extending our offer and how and where we articulate it to a wider range of leisure-time music groups; this is about services and resources, and about language and imagery
- Helping our members remove barriers to participation and attendance, so that they are able to retain members for longer, recruit new ones and extend the welcome to their public events further into their communities

### Plans for future periods

#### Plans for 2022

- We will consult widely over the year amongst staff, member groups and other stakeholders in order to create our next five year plan, to launch in January 2023
- We will develop a new website (anticipated launch February 2023) in order to:
  - enable our members to access all our services and resources digitally 24/7
  - make it easier for members of the public to find a group or find an event near them, to encourage more and different people to actively engage with music
  - facilitate access to statistics and research on leisure-time music and its significance to individuals and communities to policy makers, media and others
- We will continue and expand our work on becoming an inclusive organisation and supporting our member groups to dismantle barriers to existing or potential participants and audiences
- We will continue providing resources, meetings and support to help our members flourish post Covid
- We will encourage take-up of MM Platform to enable groups to run themselves efficiently and promote themselves better to new and more people



- We will continue to support groups to claim Orchestra Tax Relief, and encourage more groups to take advantage of it
- We will focus our 2022 proactive advocacy work on local infrastructure, particularly spaces for music-making and performance; sheet music provision; transport; licensing
- We will further disseminate our Adult Music Learning manifesto, and work on dismantling barriers to adult music making
- We will focus on recruiting more music groups into membership to strengthen our voice
- We will continue to celebrate and stand up for our members and the leisure-time music sector as necessary, to enable it to flourish and be recognised for its considerable contribution to the civic life and wellbeing of the UK

### Impact of Covid-19 on Making Music and 2022 plans

Thanks to public funding from round 2 of the ACE Cultural Recovery Fund and flexi-furloughing staff under the Coronavirus Job Retention Scheme, Making Music managed to break even financially in 2021. This provides a good starting point for 2022 which we anticipate being as tough as 2021.

The impact of Covid on us is indirect and is due to the reduction of member groups' activities since March 2020. As their membership subscription is based on past (published) income, this impact will be felt at its strongest in 2022. With the removal of restrictions (and no current intentions of reintroducing them), we are confident our prediction will come true that groups' and our own fortunes will be recovering, if not completely, then at least very considerably, by 2023.

Indeed, we are now, after 2022 membership renewals, able to foresee that 2022, due to strict cost control as well as the generosity of member groups and donations from individuals, is likely to end with a manageable deficit, thanks to maintaining strong reserves during the pandemic.

## Financial review

### Financial result for 2021

Our Board and management continued to keep a close eye on the financial position of the charity during 2021. Due to the detrimental impact of the pandemic on our members' ability to earn income from concerts, events and subscriptions, our membership income for 2021 was consequently reduced and we started the year with the expectation of a significant deficit. When a further lockdown was announced in January 2021 and our members were unable to meet in person, we responded by part-furloughing the entire staff team to save on the charity's largest regular outlay. We also successfully applied for funding from round 2 of the ACE Cultural Recovery Fund.

We continued to minimise costs, especially on travel and discretionary marketing. By the mid-point of the year, we had steadied the overall financial position to finish 2021 with total net expenditure of £22,937 (2020: total net expenditure £24,251) but unrestricted net income of £6,164 (2020: unrestricted net expenditure £6,053). This has allowed us to maintain unrestricted general funds and remain within our reserves policy of retaining reserves equivalent to 3 to 6 months' unrestricted expenditure.

Total income of £721,305 (2020: £759,403) included membership subscription income of £456,062 (2020: £500,099). We successfully retained members over the course of the pandemic, with year-on-year growth of 2.2% but in 2021, many more of our members fell within our lowest subscription rate band, meaning we supported a similar number of members but with reduced income.

Total expenditure for the year was £761,166 (2020: £766,513), reflecting tight cost control, including no salary increases for staff for the second year running, and winding down the investment in digital support for members made in the first wave of the pandemic in 2020.

Consolidated cash balances of £1,378,263 at 31 December 2021 (2020: £1,403,755) include deferred membership subscription income collected for 2022 and insurance premiums and PRS fees collected from members to be paid over to third parties in early 2022. Net current assets of £665,947 (2020: £685,205) provide a more accurate picture of working capital.

The trading subsidiary, NFMS Enterprises Limited, generated a profit of £7,013 (2020: £8,318) which was donated to the charity under covenant.

## Reserves Position

Total funds held at the end of the year were £825,071 (2020: £848,008).

Of these funds, £329,264 (2020: £312,579) were held in a permanent endowment fund and £131,967 (2020: £177,753) were held in funds for restricted purposes.

Unrestricted funds of £363,840 (2020: £357,676) included a total of £80,722 (2020: £91,936) held in designated funds to spend on projects in 2022 and 2023, including £64,323 towards the development of a new website.

The remaining unrestricted general funds of £283,118 (2020: £265,740) include £19,620 (2020: £40,223) which can only be realised by disposing of fixed assets.

## Reserves Policy

It is the policy of the charity to maintain adequate reserves to cover between 3 and 6 months of unrestricted expenditure, in normal circumstances. This target has been set because the charity has a high committed cost base. Staff costs account for approximately 60% of expenditure, with our staff team pivotal to providing services paid for in advance by our members. The second largest cost is office rent, with a five-year lease commitment remaining until 2025.

Unrestricted reserves at 31 December 2021 were £363,840 (2020: £357,676). After deducting designated funds and fixed assets, the remaining free reserves of £263,498 (2020: £225,517) represent 5.9 months' (2020: 4.5 months') of unrestricted expenditure, excluding depreciation (based on current year figures) which is within the parameters of the reserves policy.

The contraction of member activity in 2020 and 2021 will continue to have a detrimental impact on membership income in 2022 and income earned from our Orchestra Tax Relief and PRS services into 2023, due to the lagged nature of these income streams. The Board expects to draw on unrestricted funds to support activity in 2022 and 2023.

## Investment Policy

It is the policy of the charity to place funds in low risk investments, such as deposits with banks and building societies, the Charities Official Investment Fund (COIF) or CAF managed equity funds.

A proportion of the Endowment Fund represents the sole investment in the CAF Equitrack Fund, with the remainder held in cash deposits. The investment objective is to maintain the real capital value of the endowment, whilst generating a sustainable level of restricted investment income to support charitable activities within the terms of the endowment.

The capital value of the CAF Equitrack Fund increased by £16,924 this year to £139,504, reversing most of the losses suffered during the pandemic (2020: a decrease of £17,141 to £122,580). This represents an increase of 16% in the amount originally invested (most recent addition in 2016). Investment income earned on the fund in the year was £4,082 (2020: £3,344).

## Going Concern and the Financial Impact of Covid-19

Despite a fall in income, we have carefully managed resources and retained our dedicated team of 16 staff (12 full-time equivalent) to support an increasing number of member groups during the year.

We have built up the value of unrestricted free reserves, with the expectation that we will need to draw on them to support activity in 2022, and to a lesser extent in 2023. Our financial forecasts extend into 2024, when we expect to see a return to net income and the opportunity to rebuild reserves again.

Since the end of the financial year, membership retention for 2022 has improved with 95% of member groups renewing their subscription (2021: 90%). This reflects both the resilience of our member groups and the value they place on their membership of Making Music.

However, 64% of members renewed at the lowest subscription rate for 2022, compared to 49% for 2021 and 40% for 2020, reflecting the impact of the pandemic on our members' income. Again, we will be supporting as many members in 2022 but with significantly reduced income.

We are fortunate that the timing of membership renewals and other income streams is heavily weighted to the first quarter of the year. By 31 March 2022, 84% of forecast income for 2022 had been earned, allowing us to make effective financial plans for the remainder of the year.

At the date of approving the report and accounts, the Board believes there are no material uncertainties about the charity's ability to continue as a going concern and the financial statements are prepared on a going concern basis.

The Board's Finance & Compliance committee continues to monitor the developing economic situation, reviewing management accounts and reforecasts for 2022, and draft budgets for 2023 and 2024, on a regular basis.

## Other Principal Risks and Uncertainties

The Board has carried out a review of the major risks to which the charity is exposed and has put in place controls and activities to mitigate those risks which are within their control to influence.

Risk	Impact x Likelihood	Mitigation
Loss of group membership	5 x 3 = 15 (medium)	<ul style="list-style-type: none"> <li>- Listen to sector on needs and deliver accordingly</li> <li>- Maintain &amp; develop services and deliver them effectively</li> <li>- Focus on retention and recruitment</li> </ul>
Lack of financial sustainability	5 x 3 = 15 (medium)	<ul style="list-style-type: none"> <li>- Prioritise member recruitment &amp; retention</li> <li>- Develop earned income in our control</li> <li>- Help members maximise their income</li> <li>- Raise additional funding, particularly for the website project</li> <li>- Contain costs &amp; keep reserves under review</li> </ul>
Weak governance	4 x 3 = 12 (medium)	<ul style="list-style-type: none"> <li>- Ensure vision, mission, objectives and plan clear to Board, staff and members</li> <li>- Invest time and care in Board communications, development, induction &amp; skills balance</li> <li>- Policies, procedures &amp; processes in place with compliance oversight &amp; training for staff, Board and volunteers</li> <li>- Keep abreast of regulatory changes and best practice</li> <li>- Seek professional advice where appropriate</li> <li>- Biannual review of risk assessment</li> </ul>
Infrastructure/ Resources failure	5 x 3 = 15 (medium)	<ul style="list-style-type: none"> <li>- Strong focus especially on up-to-date and fit for purpose IT infrastructure</li> <li>- Strong focus on cyber security and secure data management training and processes</li> <li>- Appropriate insurance policies</li> <li>- Best practice HR management, focusing on support and development of staff</li> <li>- Apply for funding to add to staff capacity</li> <li>- Review pay as soon as financially possible</li> </ul>
Reputational damage	3 x 2 = 6 (low)	<ul style="list-style-type: none"> <li>- External representation guidelines for staff and Board</li> <li>- Emergency media plan in place</li> <li>- Communicating regularly within sector to foster understanding</li> <li>- Careful consideration of lobbying, advocacy &amp; campaigning</li> <li>- Timely &amp; appropriate response to public comments</li> </ul>
Negative impact of environment	4 x 3 = 12 (medium)	<ul style="list-style-type: none"> <li>- Regular and systematic monitoring of external environment for potential threats</li> <li>- Regular management meetings to evaluate and respond to changing circumstances</li> <li>- Addressing potential threats through proactive joint action with others</li> </ul>

## Structure, governance and management

Making Music's governing documents are its Memorandum and Articles of Association. As well as being a registered charity in England and Wales, Making Music is a registered charity in Scotland and is a company limited by guarantee.

Making Music's Board of Directors is made up of 9 trustees elected by and from the membership and up to 3 trustees co-opted by the Board of Directors. The Chair, Vice Chair and Honorary Treasurer are elected by the Board from among their number and can serve in their role for up to two terms of three years each. Co-opted trustees can serve up to two terms of three years each.

Every year, a third of elected trustees retire. Retiring trustees can put themselves forward again for election for a maximum three terms of three years each. A call is put out to members for nominations and when there are more nominations than vacancies, an election is held (this is usually the case), with the result announced at the Annual General Meeting.

When a new trustee is appointed or co-opted, they receive a full day induction from the Chief Executive and Chair, including on procedures, policies, strategy, and have an opportunity to meet all the staff of the charity.

### Organisation

Overall responsibility for the Charity's strategy and direction rests with the Board of Trustees, which comprises all Directors. The carrying out of day-to-day activities is delegated to the staff under the management of the Chief Executive and Senior Management Team.

A remuneration committee of the Board sets the pay structure for all staff. If applicable, any annual percentage increase is applied consistently to all staff.

### Subsidiaries

The charity has a trading subsidiary, NFMS Enterprises Ltd, whose accounts are reported separately, and are consolidated into these accounts.



*The Film Orchestra in rehearsal*



*Members of The Fourth Choir*

## Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and accounts in accordance with applicable law and regulations.

The Trustees are the company's Directors. Company law requires the Directors to prepare accounts for each financial year. Under that law they have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

In accordance with company law, the trustees, as the company's Directors, certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the Board on 30 May 2022.

By order of the Board

Dorothy Wilson MBE FRSA  
Chair



## Opinion

We have audited the financial statements of National Federation of Music Societies ("the parent charitable company") and its subsidiary (together "the group" for the year ended 31 December 2021, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Statement of Cash Flows, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2021 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 24, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees

determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined below, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

- We obtained an understanding of the legal and regulatory framework applying to the Trust, and the procedures that management adopt to ensure compliance, including those relating to the Charities SORP FRS 102, Employment law, Health and Safety law, and GDPR, and considered the extent to which non-compliance might have a material effect on the financial statements;
- We assigned an engagement team to the audit with particular familiarity in dealing with charity and not-for-profit organisations;
- We assessed the susceptibility of the Parent Charitable Company's financial statement to material misstatement, including consideration of how fraud might occur and evaluating management's assessment of the risk of fraud and whether they are aware of any actual or suspected incidences of fraud;
- We considered whether management have incentives and opportunities to manipulate financial results (including overriding controls); and
- We designed and performed audit procedures to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations, including enquiry of the Board of Trustees, review of minutes and correspondence, and review of the completeness and accuracy of disclosures made in the financial statements.

A further description of our responsibilities for the audit of the financial statements is located

on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of our auditor's report.



## **Use of our report**

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the parent charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charitable company, the parent charitable company's members as a body and the parent charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **A S Healey FCA CTA DChA (Senior Statutory Auditor)**

For and on behalf of:

**Lindeyer Francis Ferguson Limited**

Statutory Auditor

Chartered Accountants

North House

198 High Street

Tonbridge

Kent TN9 1BE

Date: 30 May 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2021

		2021 Unrestricted funds	2021 Restricted funds	2021 Endowment funds	2021 Total funds	2020 Total funds
	Note	£	£	£	£	£
<b>Income from:</b>						
Donations and legacies	3	29,036	136,581	-	165,617	140,882
Charitable activities	4	518,984	-	-	518,984	565,025
Other trading activities	5	29,327	-	-	29,327	46,183
Interest and dividends		1,563	5,814	-	7,377	7,313
<b>Total</b>		<b>578,910</b>	<b>142,395</b>	<b>-</b>	<b>721,305</b>	<b>759,403</b>
<b>Expenditure on:</b>						
Raising funds	6	13,743	-	-	13,743	12,761
Charitable activities	7	559,003	188,181	239	747,423	753,752
<b>Total</b>		<b>572,746</b>	<b>188,181</b>	<b>239</b>	<b>761,166</b>	<b>766,513</b>
Net gains/(losses) on investments	12	-	-	16,924	16,924	( 17,141)
<b>Net income/(expenditure)</b>	8	<b>6,164</b>	<b>( 45,786)</b>	<b>16,685</b>	<b>( 22,937)</b>	<b>( 24,251)</b>
Transfers between funds		-	-	-	-	-
<b>Net movement in funds</b>		<b>6,164</b>	<b>( 45,786)</b>	<b>16,685</b>	<b>( 22,937)</b>	<b>( 24,251)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		357,676	177,753	312,579	848,008	872,259
Total funds carried forward	15	363,840	131,967	329,264	825,071	848,008

CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2021



	Note	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Intangible assets	10		-		-
Tangible assets	11		19,620		40,223
Investments	12		139,504		122,580
			<u>159,124</u>		<u>162,803</u>
<b>Current assets</b>					
Debtors	13	84,053		115,443	
Cash at bank and in hand		1,378,263		1,403,755	
		<u>1,462,316</u>		<u>1,519,198</u>	
<b>Creditors:</b> amounts falling due within one year	14	( 796,369)		( 833,993)	
Net current assets			<u>665,947</u>		<u>685,205</u>
<b>Total net assets</b>			<u><u>825,071</u></u>		<u><u>848,008</u></u>
<b>The funds of the charity:</b>					
Endowment funds			329,264		312,579
Restricted funds			131,967		177,753
Unrestricted funds			363,840		357,676
	15		<u><u>825,071</u></u>		<u><u>848,008</u></u>

The financial statements were approved by the Board of Trustees on 30 May 2022 and were signed on its behalf by:

Dorothy Wilson MBE FRSA  
Trustee

Clare Birks  
Trustee





CHARITY BALANCE SHEET  
AS AT 31 DECEMBER 2021

	Note	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Intangible assets	10		-		-
Tangible assets	11		19,620		40,223
Investments	12		139,508		122,584
			<u>159,128</u>		<u>162,807</u>
<b>Current assets</b>					
Debtors	13	88,248		149,324	
Cash at bank and in hand		<u>1,373,062</u>		<u>1,365,570</u>	
		1,461,310		1,514,894	
<b>Creditors:</b> amounts falling due within one year	14	<u>( 795,367)</u>		<u>( 829,693)</u>	
Net current assets			665,943		685,201
<b>Total net assets</b>			<u>825,071</u>		<u>848,008</u>
<b>The funds of the charity:</b>					
Endowment funds			329,264		312,579
Restricted funds			131,967		177,753
Unrestricted funds			<u>363,840</u>		<u>357,676</u>
	15		<u>825,071</u>		<u>848,008</u>

The financial statements were approved by the Board of Trustees on 30 May 2022 and were signed on its behalf by:

**Dorothy Wilson MBE FRSA**  
Trustee

**Clare Birks**  
Trustee

Company number: 308632

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CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities:</b>			
Net cash (used in) operating activities	A	( 41,443)	( 222,248)
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		7,377	7,313
Proceeds from sale of piano		16,667	-
Purchase of tangible fixed assets		( 8,093)	( 9,969)
Net cash provided by / (used in) investing activities		15,951	( 2,656)
<b>Change in cash and cash equivalents in the year</b>		( 25,492)	( 224,904)
Cash and cash equivalents at the beginning of the year		1,403,755	1,628,659
<b>Cash and cash equivalents at the end of the year</b>		1,378,263	1,403,755
<b>A. Reconciliation of net income / (expenditure) to net cash flow from operating activities</b>			
Net (expenditure) for the year		( 22,937)	( 24,251)
Depreciation and amortisation charges		14,896	16,019
(Gains)/losses on investments		( 16,924)	17,141
Dividends and interest from investments		( 7,377)	( 7,313)
(Gains) on sale of fixed assets		( 2,867)	-
Decrease/(increase) in debtors		31,390	( 35,552)
(Decrease) in creditors		( 37,624)	( 188,292)
Net cash (used in) operating activities		( 41,443)	( 222,248)



## 1 ACCOUNTING POLICIES

### Accounting convention

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)" (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Making Music 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).

There are no material uncertainties about the charity's ability to continue, and so the going concern basis of accounting has been adopted.

The financial statements are presented in pounds sterling and rounded to the nearest pound.

### Basis of consolidation

The consolidated financial statements incorporate those of Making Music and its wholly owned subsidiary undertaking, NFMS Enterprises Limited. All intra-group transactions and balances are eliminated on consolidation.

### Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the group 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.

### Income

Income from donations and grants is recognised when the charity is entitled to the funds, the receipt is probable and the amount can be measured reliably. For donations, this is usually on receipt. For grants, this is usually when a formal offer is made in writing, unless the grant contains terms and conditions outside of the charity's control which must be met before the charity is entitled to the funds. Where grants are received in response to a proposal including a budgeted timescale, such that the timescale for the expenditure is implicit in the grant agreement, the income is recognised in accordance with that timescale.

Income from legacies is recognised when there has been a grant of probate, the executors have established that there are sufficient assets in the estate to pay the legacy, and any conditions attached are within the control of the charity or have already been met.

Income from charitable activities is recognised over the period to which the income relates. Membership subscriptions are recognised on a straight line basis over the term of the subscription.

Gifts in kind are only included in the financial statements when the charity is entitled to them, when it is probable that the charity will receive the economic benefits, and when the fair value or value to the charity, as appropriate, can be measured with sufficient reliability.

Investment income is recognised when receivable. Interest is accounted for as accrued income where it is due but has not yet been credited.

## 1 ACCOUNTING POLICIES continued

### Expenditure

Expenditure is recognised when a present legal or constructive obligation exists at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be estimated reliably.

Grants payable are recognised when a commitment has been communicated to the beneficiary.

Staff costs have been allocated to expenditure headings on the basis of an estimate of the amount of time spent by staff members in each area.

Support costs have been allocated to charitable activities on the basis of direct staff costs.

Support costs are those functions that assist the work of the charity but do not directly relate to the charitable activities, and include governance costs.

### Fund accounting

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

Restricted funds can only be used for the 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.

The permanent endowment fund relates to a legacy from Philip & Dorothy Green for young musicians. The net income is transferred to a separate restricted fund.

### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated realisable value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	7-33% on the reducing balance basis
Computers and website	33% on the straight line basis
Piano	8% on the straight line basis

Assets costing less than £500 are not capitalised but are recognised as expenditure in the Statement of Financial Activities in the year incurred.

The estimated useful life of the website was extended during 2021, with the impact of reducing the depreciation charge for the year by £1,425 and increasing the net book value of fixed assets at 31 December 2021 by the equivalent amount.

### Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost less amortisation, and amortisation is charged over 20 years on the straight line basis.

### Investments

Listed investments are stated at fair value. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the Statement of Financial Activities.

Investments in subsidiary undertakings are stated at the lower of cost and net realisable value.

### Financial instruments

Other than listed investments, the charity only has financial instruments of a kind that qualify as basic financial instruments. Short term basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

**1 ACCOUNTING POLICIES continued**

**Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period to which the entitlement relates.

Payments to defined contribution pension schemes are charged as an expense as they fall due.

**Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**2 STATUS**

Making Music is a charitable company limited by guarantee incorporated in England and Wales. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is 8 Holyrood Street, London SE1 2EL.

**3 INCOME FROM DONATIONS AND LEGACIES**

	2021 £	2020 £
Donations	25,420	42,451
Grants	134,625	98,431
Legacies	5,572	-
	165,617	140,882

In the preceding period, donation income of £134,463 and total income of £139,618 was restricted.

In addition to the donations above, Making Music received various gifts in kind towards Make Music Day 2021, including musical arrangements and event and marketing support from Music for All, Team London Bridge, Hal Leonard Europe and other partner organisations. The value of these gifts cannot be estimated with sufficient reliability for inclusion in the financial statements. The activities of Make Music Day will transfer to a new organisation in 2022.

**4 INCOME FROM CHARITABLE ACTIVITIES**

	2021 £	2020 £
Membership subscriptions	456,062	500,099
Member services	62,922	63,911
Other services	-	1,015
	518,984	565,025

**5 INCOME FROM OTHER TRADING ACTIVITIES**

	2021 £	2020 £
Advertising	17,226	27,564
Piano hire	-	250
Rental income	8,899	17,760
Other income	3,202	609
	29,327	46,183

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

**6 EXPENDITURE ON RAISING FUNDS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Staff costs	5,331	5,156
Advertising agent commission	6,267	7,565
Other fundraising costs	2,145	40
	<b>13,743</b>	<b>12,761</b>

**7 EXPENDITURE ON CHARITABLE ACTIVITIES**

	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>Supporting</b>	<b>Supporting</b>	<b>Total</b>	<b>Total</b>
	<b>members</b>	<b>leisure-time</b>	<b>£</b>	<b>£</b>
	<b>£</b>	<b>music</b>		
	<b>£</b>	<b>£</b>		
Staff costs	286,822	57,482	344,304	359,555
Direct costs	82,901	76,595	159,496	120,761
Publication costs	22,266	-	22,266	22,127
Selected Artists costs and subsidies	5,537	-	5,537	6,257
Event costs	633	-	633	3,027
Grants payable	4,600	-	4,600	6,500
Support costs allocated	175,430	35,157	210,587	235,525
	<b>578,189</b>	<b>169,234</b>	<b>747,423</b>	<b>753,752</b>

Support costs comprise:

Support staff costs	81,911	83,070
Other staff costs	5,257	14,446
Marketing	15,997	16,592
Premises and office costs	79,679	83,207
Depreciation	14,896	16,019
Legal and accountancy fees	2,682	6,144
Other costs	3,197	8,277
Governance costs:		
Trustee expenses	618	1,470
Audit fees	6,350	6,300
	<b>210,587</b>	<b>235,525</b>

In the preceding period, expenditure of £140,675 came from restricted funds.

**8 NET INCOME/(EXPENDITURE)**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net income/(expenditure) is stated after charging/(crediting):		
Depreciation	14,896	16,019
Auditors' remuneration for audit services	6,350	6,300
Auditors' remuneration for non-audit services	985	2,566
Operating lease rentals	39,476	38,326

As permitted by s408 Companies Act 2006, the parent charity has not presented its own Statement of Financial Activities and related notes. The parent charity's net expenditure for the year before investment gains/losses was £46,875 (2020: net expenditure £15,428).



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

9 STAFF COSTS

	2021 £	2020 £
Gross salaries	387,303	394,595
Employer's National Insurance contributions	30,346	31,572
Employer's pension contributions	11,749	11,733
Redundancy payment	2,148	-
Agency staff	-	9,881
	<u>431,546</u>	<u>447,781</u>

One termination payment was paid during the period (2020: none).

There were no employees with employment benefits (excluding employer pension contributions) of more than £60,000 in the current nor preceding period.

At the balance sheet date, pension contributions unpaid amounted to £14 (2020: £14).

The average number of full-time equivalent employees during the year was 12 (2020: 12).

10 INTANGIBLE FIXED ASSETS

Group and charity	£
Cost brought forward and carried forward	<u>1,500</u>
Amortisation brought forward and carried forward	<u>1,500</u>
Net book value at 31 December 2020 and 2021	<u>-</u>

11 TANGIBLE FIXED ASSETS

Group and charity	Fixtures, fittings and equipment £	Computers and website £	Piano £	Total £
<b>Cost</b>				
Brought forward at 1 January 2021	21,094	126,259	15,000	162,353
Additions	-	8,093	-	8,093
Disposals	( 3,668)	( 1,619)	( 15,000)	( 20,287)
Carried forward at 31 December 2021	<u>17,426</u>	<u>132,733</u>	<u>-</u>	<u>150,159</u>
<b>Depreciation</b>				
Brought forward at 1 January 2021	13,913	107,017	1,200	122,130
Charged for the year	718	14,178	-	14,896
Disposals	( 3,668)	( 1,619)	( 1,200)	( 6,487)
Carried forward at 31 December 2021	<u>10,963</u>	<u>119,576</u>	<u>-</u>	<u>130,539</u>
<b>Net book value</b>				
At 31 December 2021	<u>6,463</u>	<u>13,157</u>	<u>-</u>	<u>19,620</u>
At 31 December 2020	<u>7,181</u>	<u>19,242</u>	<u>13,800</u>	<u>40,223</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

12 INVESTMENTS

	2021 £	2020 £
<b>Group</b>		
<b>Listed investments</b>		
Fair value at 1 January 2021	122,580	139,721
Unrealised gains and losses	16,924	( 17,141)
	<u>139,504</u>	<u>122,580</u>
Realised gains and losses	-	-
Per Statement of Financial Activities	<u>16,924</u>	<u>( 17,141)</u>

In addition, the charity has an investment of £4 (2020: £4), being a holding of 100% of the ordinary share capital, in NFMS Enterprises Limited (company number 02844532), its trading subsidiary. NFMS Enterprises Limited is a company registered in England and Wales with number 02844532. Its registered office is 9 Holyrood Street, London SE1 2EL. All of its profits are covenanted to the parent charity.

The subsidiary contributed turnover of £48,001 (2020: £50,624), expenditure of £40,988 (2020: £42,306) and a profit to the charity of £7,013 (2020: £8,318). At the balance sheet date, the subsidiary had net assets of £4 (2020: £4).

13 DEBTORS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade debtors	53,202	59,963	52,783	53,799
Amounts owed by group undertakings	-	-	7,014	49,238
Prepayments and accrued income	30,476	30,423	28,076	28,945
Other debtors	375	25,057	375	17,342
	<u>84,053</u>	<u>115,443</u>	<u>88,248</u>	<u>149,324</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade and other creditors	380,592	399,290	380,592	399,212
Deferred subscription income	378,657	405,777	378,657	405,777
Accruals and other deferred income	34,786	28,926	33,509	24,704
Tax and social security	2,334	-	2,609	-
	<u>796,369</u>	<u>833,993</u>	<u>795,367</u>	<u>829,693</u>

Included in trade and other creditors are insurance premiums of £351,743 (2020: £336,111) collected from members by Making Music as agent on behalf of the insurer. Also included are PRS contributions of £15,175 (2020: £44,272) collected from members to be remitted to PRS after the year end.

The movement on deferred membership subscriptions is as follows:

Group and charity	2021 £	2020 £
Balance at 1 January 2021	405,777	438,072
Released to income	( 405,777)	( 438,072)
Received in the year and deferred	<u>378,657</u>	<u>405,777</u>
Balance at 31 December 2021	<u>378,657</u>	<u>405,777</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

15 MOVEMENT ON FUNDS

CURRENT YEAR	<i>Brought forward</i> £	<i>Net movement</i> £	<i>Transfers</i> £	<i>Carried forward</i> £
<b>Permanent endowment</b>				
Philip and Dorothy Green endowment fund	312,579	16,685	-	329,264
<b>Restricted funds</b>				
Philip and Dorothy Green income fund	124,982	20,912	( 39,586)	106,308
Adopt a Music Creator	18,968	( 37,643)	18,675	-
P A Thompson fund	12,100	( 12,100)	-	-
P & D Green Young Artists fund	-	( 19,477)	19,477	-
Make Music Day	15,205	1,646	-	16,851
Arts Council England CRF2	-	-	-	-
Other restricted funds	6,498	876	1,434	8,808
	177,753	( 45,786)	-	131,967
<b>Unrestricted funds</b>				
Designated funds	91,936	( 21,214)	10,000	80,722
General fund	265,740	27,378	( 10,000)	283,118
	357,676	6,164	-	363,840
<b>Total funds</b>	848,008	( 22,937)	-	825,071

<i>Current year net movement comprises:</i>	<i>Income</i> £	<i>Expenditure</i> £	<i>Gains/ (losses)</i> £	<i>Net movement</i> £
<b>Permanent endowment</b>				
Philip and Dorothy Green endowment fund	-	( 239)	16,924	16,685
<b>Restricted funds</b>				
Philip and Dorothy Green income fund	21,102	( 190)	-	20,912
Adopt a Music Creator	-	( 37,643)	-	( 37,643)
P A Thompson fund	-	( 12,100)	-	( 12,100)
P & D Green Young Artists fund	-	( 19,477)	-	( 19,477)
Make Music Day	66,513	( 64,867)	-	1,646
Arts Council England CRF2	44,429	( 44,429)	-	-
Other restricted funds	10,351	( 9,475)	-	876
	142,395	( 188,181)	-	( 45,786)
<b>Unrestricted funds</b>				
Designated funds	-	( 21,214)	-	( 21,214)
General fund	578,910	( 551,532)	-	27,378
	578,910	( 572,746)	-	6,164
<b>Total funds</b>	721,305	( 761,166)	16,924	( 22,937)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

15 MOVEMENT ON FUNDS continued

PRIOR YEAR	<i>Brought forward</i> £	<i>Net movement</i> £	<i>Transfers</i> £	<i>Carried forward</i> £
<b>Permanent endowment</b>				
Philip and Dorothy Green endowment fund	329,720	( 17,141)	-	312,579
<b>Restricted funds</b>				
Philip and Dorothy Green income fund	111,085	41,187	( 27,290)	124,982
Adopt a Music Creator	18,023	145	800	18,968
P A Thompson fund	35,499	( 23,399)	-	12,100
P & D Green Young Artists fund	-	( 23,869)	23,869	-
Make Music Day	6,967	8,238	-	15,205
Other restricted funds	7,236	( 3,359)	2,621	6,498
	178,810	( 1,057)	-	177,753
<b>Unrestricted funds</b>				
Designated funds	97,311	( 3,809)	( 1,566)	91,936
General fund	266,418	( 2,244)	1,566	265,740
	363,729	( 6,053)	-	357,676
<b>Total funds</b>	872,259	( 24,251)	-	848,008
<b>Prior year net movement comprises:</b>	<i>Income</i> £	<i>Expenditure</i> £	<i>Gains/ (losses)</i> £	<i>Net movement</i> £
<b>Permanent endowment</b>				
Philip and Dorothy Green endowment fund	-	-	( 17,141)	( 17,141)
<b>Restricted funds</b>				
Philip and Dorothy Green income fund	41,187	-	-	41,187
Adopt a Music Creator	25,000	( 24,855)	-	145
P A Thompson fund	-	( 23,399)	-	( 23,399)
P & D Green Young Artists fund	-	( 23,869)	-	( 23,869)
Make Music Day	65,853	( 57,615)	-	8,238
Other restricted funds	7,578	( 10,937)	-	( 3,359)
	139,618	( 140,675)	-	( 1,057)
<b>Unrestricted funds</b>				
Designated funds	-	( 3,809)	-	( 3,809)
General fund	619,785	( 622,029)	-	( 2,244)
	619,785	( 625,838)	-	( 6,053)
<b>Total funds</b>	759,403	( 766,513)	( 17,141)	( 24,251)

## 15 MOVEMENT ON FUNDS continued

### **Philip and Dorothy Green endowment and restricted funds**

This endowment enables us to provide grants, awards, prizes, donations or financial sponsorship to young musicians. Income is transferred to project funds including the P & D Green Young Artists fund which enables young musicians at the start of their career to gain vital concert and recital experience across the UK. The scheme also allows Making Music member groups to tap into some of the very best young musical talent to programme into their concert. Income from the endowment also part-funds the Adopt a Music Creator project, run annually by Making Music since 2000 and the Awards programme for composers and arrangers.

### **Adopt a Music Creator**

This project enables us to pair a leisure-time ensemble with an emerging composer. It provides a unique opportunity for leisure-time musicians to work directly with a composer, be actively involved in the creative process and discover new music. The project is funded by the PRS for Music Foundation and the Philip and Dorothy Green fund. Separate funding for the project in Scotland is received from Creative Scotland.

### **P A Thompson fund**

The objective of the Pauline Thompson legacy fund was to encourage young people aged 15 to 35 to join amateur music groups. It enabled us to employ a part-time Youth Engagement Manager and extend repertoire to attract young people to sing/play in different types of mixed age music groups. The project completed during the year and the fund was fully spent by the end of 2021.

### **Make Music Day fund**

This is a music sector wide UK project which is co-managed by us, with funding from Arts Council England, NAMM, Musicians Union and Music For All is received and managed by Making Music on behalf of an industry-wide steering group. Make Music Day is an international celebration of grassroots musical activity always on 21 June, which started in France in 1982 and now takes place in 125 countries across the globe.

### **Arts Council England Cultural Recovery Fund 2**

The objective of this fund was to support cultural organisations as they transitioned back to a viable and sustainable operating model following the winter 2021 Covid lockdown. The funding covered a specific period: April to June 2021, and enabled us to return staff from furlough and invest in supporting members as they restarted activity.

### **Other restricted funds**

These funds enable us to make a number of awards, bursaries, and prizes to individual musicians, groups, and organisations in both the voluntary and professional sector. Some of these, such as the Sir Charles Groves Prizes, recognise lifelong contributions to the musical life of the UK.

### **Designated funds**

The designated funds are intended for use on a new website and artist subsidies.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	2021 <i>Unrestricted funds</i> £	2021 <i>Restricted funds</i> £	2021 <i>Endowment funds</i> £	2021 <i>Total funds</i> £
<b>CURRENT YEAR</b>				
Fixed assets	19,620	-	139,504	159,124
Net current assets	344,220	131,967	189,760	665,947
	<u>363,840</u>	<u>131,967</u>	<u>329,264</u>	<u>825,071</u>
<b>PRIOR YEAR</b>				
Fixed assets	40,223	-	122,580	162,803
Net current assets	317,453	177,753	189,999	685,205
	<u>357,676</u>	<u>177,753</u>	<u>312,579</u>	<u>848,008</u>
<b>Charity</b>				
	2021 <i>Unrestricted funds</i> £	2021 <i>Restricted funds</i> £	2021 <i>Endowment funds</i> £	2021 <i>Total funds</i> £
<b>CURRENT YEAR</b>				
Fixed assets	19,624	-	139,504	159,128
Net current assets	344,216	131,967	189,760	665,943
	<u>363,840</u>	<u>131,967</u>	<u>329,264</u>	<u>825,071</u>
<b>PRIOR YEAR</b>				
Fixed assets	40,223	-	122,584	162,807
Net current assets	317,453	177,753	189,995	685,201
	<u>357,676</u>	<u>177,753</u>	<u>312,579</u>	<u>848,008</u>

17 FINANCIAL COMMITMENTS

At 31 December 2021 the charity was committed to future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Due within one year	38,887	39,197
Due in two to five years	95,120	127,945
	<u>134,007</u>	<u>167,142</u>





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## 18 RELATED PARTY TRANSACTIONS

The key management personnel are considered to be the trustees, the Chief Executive, the Membership & Operations Director, the Finance Director and the Communications Director.

The total amount of employee benefits (including employer's national insurance and pension contributions) received by key management personnel during the year was £161,879 (2020: £160,615).

There were no Trustees' remuneration or other benefits during the current or prior period.

Trustees were reimbursed expenses of £133 (2020: £310), in respect of two (2020: two) trustees for travel and subsistence costs. Ms Clare Birks is related to the owner of the property leased by the charity. The amount of the lease charge payable per annum is £36,996 (2020: £36,996). Ms Birks is excluded from any discussions on property-related matters, and the rent was negotiated on an arm's length basis.