

COMMUNITY MUSIC
TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2023
CHARITY NUMBER: 293419
COMPANY NUMBER: 01967704

Community Music
Company Limited by Guarantee
Trustees Report (Incorporating the Director's Report)
For the year ended 31st March 2023

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Trustees Report (Incorporating the Director's Report)
For the year ended 31st March 2023

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2023.

Reference and administrative details

Registered charity name	Community Music Limited
Charity registration number	293419
Company registration number	01967704
Principal office and registered office	The Brady Centre 192-196 Hanbury Street London E1 5HU
The trustees	Helen Searle Chair John Prince Eshan Haque Adrian Sykes (Joined 28 September 2022)
Chief Executive Officer	Richard Clegg
Company secretary	Richard Clegg
Independent Examiner:	Roger Mutinta
Bankers	Lloyds Bank 40 Rosslyn Hill London NW3 1NL

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1. Structure, Governance and Management

1.1 Community Music Limited is a charitable company limited by guarantee, incorporated on 2 December 1985 and registered as a charity on 24 April 1986. The Company was established under a Memorandum of Association, which established the objects and the powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

1.2 Methods of appointing new trustees: New trustees are appointed from time to time by the existing trustees. An annual assessment of skills gaps relating to the aims and objectives of the trust is completed by the trustees and new members identified from known professional associates to supply those skills. The term trustee/member/director is interchangeable.

1.3 Name of persons entitled to appoint trustees: trustees must be appointed by vote of a quorate meeting, first as a member of the company then as a trustee of the company and as a director.

1.4 Trustee induction: new trustees receive an induction pack and an explanatory discussion with the Chair comprising governing documents, legal and financial responsibilities, detailed financial information, programme and staffing of the company and specific briefing relating to that trustee's role on the Board. They meet with the CEO before appointment and are invited as an observer to a meeting before a decision is made for them to join the board of trustees.

1.5 The organisational structure: The Company is overseen by the trustees at a minimum of 4 meetings a year, although in practise this is usually more, and an annual budget with cash flow including salary levels and staffing changes is proposed by the CEO and approved by the Board. Major policy discussions and programme initiatives relating to that policy are discussed and approved by the Board.

1.6 Statement of relationship with other parties: Community Music has no subsidiaries. It maintains a strong relationship with other similar community music projects and funders through its working partnerships.

1.7 Statement of benefits received by trustees: none.

1.8 The Board of Trustees aims to conduct an annual audit of its skills relating to the relevant arts, education and creative industries sectors. It seeks to appoint new trustees where necessary.

2. Objectives, Activities of the charity and Strategic Report:

1. Overall Strategic Aim

- To be a leading provider of youth music opportunities in London.

2. Youth Music Opportunities

- To provide opportunities for young people to access and participate in creative music making in modern genres.

3. Professional Training

- To create structured access to professional training in music including higher education and vocational training.

4. Live Music Promotion

- To partner closely with professional promoters and festival organisers to promote new talent in successful live music contexts that guarantee audiences.

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5. Artist and Business Support

- To support artists in their career development and creation of businesses.

6. Key Targets for 2022-23

Ensuring Continued Provision of Youth Music Opportunities in London

Primary objective is to continue providing youth music opportunities throughout London. This will empower young people to access and participate in creative music making, specifically focusing on modern genres.

Structured Pathways to Professional Training

CM is committed to offering structured access to professional training in music. This comprehensive approach encompasses both higher education and vocational training programs.

Promoting New Talent and Fostering Artist Development

To propel the careers of young musicians, in partnerships with professional promoters and festival organisers. This collaboration will enable CM to:

- **Promote New Talent:** By securing performance opportunities in successful live music contexts that guarantee audiences, championing the emergence of new talent.
- **Artist and Business Support:** CM provides artists with artistic and business support to cultivate successful careers. This dual focus on artistic development and business acumen will empower young musicians to achieve independence in the music industry.

3. Ensuring our work delivers our aims

In shaping and reviewing Community Music's aims and objectives for the year and planning their activities, the trustees have considered the Charity Commission's guidance on public benefit. In particular, the trustees consider how planned activities will contribute to the aims and objectives set. Community Music reviews its aims, objectives and activities each year to assess the success of each key activity, and the benefits brought to those groups of people they established to help. This ensures Community Music's aims, objectives and activities remain focused on its stated purposes.

4. Achievements and performance

Arts Council NPO status 2023-2026

The Arts Council provided positive feedback on Community Music's work and application, reaffirming its status as a long-standing National Portfolio Organisation. While rising inflation and the UK government's Levelling Up program pose challenges for London-based organisations, Community Music is delighted to continue its relationship with the Arts Council. This ensures that the funding will continue to support young creatives both in London and other regions for at least a further 3 years.

The Creative Music Production and Business Degree

Community Music enjoyed a strong year in student recruitment, welcoming 71 registered students across both programme years. Additionally, over 10 students from the previous second year successfully progressed to their third year at the University of Westminster.

The organisation demonstrated its core values with increased access time, online live sessions, supplemented by a range of additional support materials:

- **Online Support:** Enhanced online resources provided ongoing learning opportunities.
- **Individualised Support:** Increased access to one-on-one support ensured student success.
- **Expanded Training:** Additional training modules were offered to enrich the curriculum.
- **Experiential Activities:** Additional experiential activities were developed ensuring students gain the necessary skills and industry experience such as Houghton Festival work experience.

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Music Leader Training Programme Online

The Music Leader Programme Online achieved a successful year in 2022-23, attracting 39 registered students across two cohorts. This engaging online platform offers a comprehensive learning experience, featuring a diverse range of multimedia elements that enhance the curriculum and create a dynamic learning environment.

Video Lectures: Clear and informative video instruction.

Audio Resources: Supportive audio materials for enhanced learning.

Text and Images: Detailed text and visuals for deeper understanding.

Downloadable Guides: In-depth PDF guides for ongoing reference.

Interactive Features: Interactive quizzes and assignment functionalities

With over 40 positive reviews and a consistently strong 4.9 out of 5 -star rating, Community Music's course Programme established itself as a valuable resource.

Mind The Music

Previously funded by the JA Clark Trust, Youth Music, Children in Need, and The East End Community Fund, Mind the Music is an ongoing initiative that Community Music currently supports with internal funds.

This project focuses on the mental health of young people participating in existing Community Music programmes, while also extending support to those referred through collaborating organisations:

CAMHS (Child and Adolescent Mental Health Services) provides vital support for young people experiencing mental health challenges.

The Coburn Centre is an inpatient adolescent mental health facility in Newham, offering specialised care for young people requiring a more structured environment.

Mind the Music offers a combination of individual and group sessions to cater to a range of needs:

- **Online 1:1 Sessions:** These personalised sessions provide tailored support for individual participants.
- **Online Group Sessions:** These sessions foster peer connection and a sense of community, allowing young people to share experiences and support one another.

In total, 36 group sessions throughout the year across three terms.

The project's positive impact has been confirmed by research. In 2022, Community Music received a comprehensive report from the University of Essex. This research evaluated the program's effectiveness over the past two years, analysing outcomes and feedback from various stakeholders:

Artist development

Despite the absence of live events during the 2022-23 season, Community Music remained committed to fostering artistic development and community engagement. The organisation successfully pivoted to a virtual platform, hosting a series of free online masterclasses.

These dynamic sessions catered to a wide range of interests, covering essential skills in:

- Music Production
- DJing
- Digital Skills
- Podcasting
- Social Media Management
- Music Business & Marketing
- Photography

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Each masterclass featured a blend of professional music tutors and industry experts, ensuring participants received valuable insights and practical guidance from established figures in their respective fields.

Create 2020

Community Music is a proud partner in the innovative Create 20x20 initiative. This collaborative effort, co-funded by the National Lottery and Homes from Haringey, fosters dynamic youth engagement. Each week, 20x20 attracts up to 15 young people, empowering them to:

Craft Their Own Voices: Develop and produce their own radio shows and podcasts, fostering creative expression and communication skills.

Master Digital Tools: Gain valuable digital skills relevant in today's world, including audio editing and production techniques.

Record Their Music: Create and record their own music, allowing them to explore musical expression and share their artistic vision.

Address Personal and Community Issues: Utilise music as a platform to tackle issues that are important to them and their peers.

The 20x20 partnership fosters a vibrant space where young people can find their voice, develop essential skills, and become active participants in shaping their community through the power of music.

ReCharge

Community Music is proud to offer ReCharge, a dynamic youth program designed to empower young creatives aged 12-24. This free initiative provides a supportive environment for participants to explore and develop their talents across a diverse range of creative disciplines:

- **Music Production:** Learn the essential skills to create and record your own music.
- **DJing:** Master the art of DJing, from beat matching and mixing to developing your own unique style.
- **Digital Skills:** Gain valuable proficiency in essential digital tools for creative expression, including audio editing and production software.
- **Podcasting:** Discover the world of podcasting, from concept development to recording and editing.
- **Social Media:** Learn how to effectively leverage social media platforms to showcase your work and connect with a wider audience.
- **Business & Marketing:** Develop the business acumen needed to navigate the creative industry, including marketing strategies and self-promotion techniques.
- **Photography:** Explore the fundamentals of photography and hone your visual storytelling skills.

ReCharge sessions take place every Tuesday evening, fostering a sense of community and collaboration among young creatives. With over 15 participants attending each week, the program provides a vibrant platform for learning, exploration, and creative growth.

Mintel and CSR

Mintel, demonstrating their ongoing commitment to youth development, has continued its valued partnership with Community Music. Through this collaboration, Mintel provides beneficial resources that directly support young people engaged in Community Music's programs, empowering them to further explore their creative potential and achieve their musical aspirations.

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Short Courses for Adults and Professional Education

Following the lifting of lockdown restrictions, Community Music seized the opportunity to re-energize young people's engagement with on-site courses. This included a series of stimulating short courses delivered directly at the facility, featuring topics such as:

Introduction to Music Technology and Production: Equipping participants with the foundational skills to create and record their own music.

Music Production and Business Masterclasses: Offering in-depth exploration of specific areas within the music industry.

Digital Marketing: Empowering young creatives to effectively navigate the digital landscape and promote their work.

Digital Delivery and Blended Learning

Throughout the 2022-2023 academic year, Community Music embraced a multifaceted approach to learning, leveraging a combination of high-quality digital delivery and blended learning models. This strategic shift not only ensured program continuity during the pandemic but also opened doors to a wider audience.

Community Music's commitment to digital learning extends beyond delivery methods. The organisation's online support resources and library have continued to expand, offering a wealth of valuable materials accessible to students anytime, anywhere.

This emphasis on digital tools serves a dual purpose:

Equipping Young People with Transferable Skills: By prioritising digital skills development, Community Music empowers young people to gain expertise relevant across diverse industries.

Bridging the Digital Divide and Skills Gap: The organisation recognizes the importance of addressing the digital divide and the growing need for digital competencies within the cultural sector. Investing in accessible digital resources ensures all participants have the opportunity to thrive in an increasingly digital world.

Partners

Community Music worked and partnered with the following:

Houghton Festival, Sound Skool, Alexandra Palace, Continental Drifts, Transform UK/TCW/London East Alternative Provision, Tower Hamlets CAMHS, Coburn Centre, Newham, New Direction for the Cultural Education Partnership, First artists Management, Pioneer, Radio 1, University of Essex, Sunway Kooth.com, Newham Mental Health services and SMART mental health charity, London Met Police, Tower Hamlets Children and Young People's Centre, Tower Hamlets Education Wellbeing Service (THEWs), East London NHS Foundation Trust, The Tavistock and Portman NHS Foundation Trust, Whitechapel Gallery, Cardboard Citizens, The Orchestra of the Age of Enlightenment & Spitalfields Music, Sound and Music, A-Team Arts, CDR, Homes for Haringey, VIP studio sessions, SMART, Music Education, THAMES, Youth Music, New Direction. Musicians Union and National Education Union, Mayer Brown, Mintell, University of Westminster and The Arts Council.

5. The public benefit of provision

5.1 All of Community Music's provision is intended to be of public benefit to a variety of people. The majority of Community Music's local youth provision is accessible to anyone aged 13-24 living or studying in Tower Hamlets and Haringey, and during the Covid-19 pandemic lockdown Community Music broadened its online session reach to the whole of the UK to support young and vulnerable people through the lockdown period.

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5.2 Community Music does not charge fees for any course or activity on the youth programme. The higher education provision is accessible by anyone aged 18 and above and is not restricted geographically. Community Music specifically targets those people who would not normally be able to access higher education, either through a lack of formal qualifications or for financial reasons and uses targeted demographic marketing to encourage local recruitment.

5.3 Community Music's higher education tuition fees are significantly lower than the standard degree cost and the FdA: Creative Music Production and Business course is fully supported by the student loans system for those who cannot afford the initial tuition cost outright. Monthly payment schemes are also available for other adult and HE programmes including the Music Leader course and Community Music works hard to ensure no one is excluded due to financial reasons where possible. The facilities are fully accessible and have wheelchair access.

6. Financial review

6.1 Financial aims of charity

- To maintain reserves to cover 6-12 months operating costs.
- To implement a sustainable fundraising strategy.

6.2 Policy on reserves

1. The Trustees of Community Music recognise their responsibility to have a transparent policy on managing the resources of the company, including financial reserves. They acknowledge this as a requirement under the Statement of Recommended Practice: Accounting and Reporting by Charities.

2. The term 'reserves' is defined as that part of the charity's funds that are freely available for general purposes. In the case of Community Music, almost all the income usually comes from a variety of grant aid and earned income. This would relate to income classified as unrestricted funds, which is available to spend on general charity purposes, once all its commitments have been met and its planned expenditure has been covered.

3. The Trustees of Community Music believe that it is generally in the interests of the charity to work towards a position of holding reserves that would cover 6-12 months operating costs. This is to ensure adequate cash flow flexibility to meet emergency measures, delayed payment of grants and unpredictable variations in expected income.

4. Community Music has increased its surplus over the past three years. This year income and surplus has increased due to the increase in students on the FDA programme, cost control and successful fundraising for equipment and youth and community projects.

6.3 Income and Turnover

The income and turnover of Community Music from 2020-2023 is:

Period / Income / Surplus / (deficit) / Total Funds

20/21/ £722,292/ £193,171/ £637,905 (restricted funds £115,675); (unrestricted funds £522,230)

21/22/ £597,198/ £108,730/ £746,635 (restricted funds £90,052); (unrestricted funds £656,583)

22/23/£510,278/£17,550/ £764,185(Restricted funds £97,886); (Unrestricted funds £666,299)

Community Music Trustees are concerned to maintain a robust business model through effective fundraising, robust cost control, protecting the CM brand's quality and keeping ahead of the sector with initiatives.

6.4 Financial Stability and Resilience

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Community Music has continued to build earned income and decrease dependence on grant aid. 85% of Community Music's income in 2022/23 is classified as unrestricted funds. Whilst remaining financially accessible for students, the Foundation Degree now generates a significant proportion of income through tuition fees and supports the delivery of the free access education programmes on offer at Community Music. Students NEEDs completing can access student finance for this programme and face no upfront costs. Community Music completes an annual risk assessment that addresses any concerns or considerations for the coming year.

Partnerships are key to CM's continued resilience and ability to thrive. Community Music has longstanding partnerships with the University of Westminster and City & Guilds, which Community Music takes care to manage well to ensure the long-term security of our HE provision.

Principal other funding sources this year :

- Arts Council of England: core costs, equipment, training and artist development
- Trusts and Foundations

Community Music remains an Arts Council National portfolio client, and their current funding stands at £136,426 per year. This essential funding allows the charity to develop their core work whilst leveraging in funding from other sources

The Arts Council percentage ratio return is around £5.60 for every £1 invested.

6.5 Trusts and Foundations

Community Music has a good track record of securing funding from trusts and foundations. Current income includes funding from the Arts Council, National Lottery Community Grant, Mintel.

6.6 Fundraising Strategy

Community Music's financial model remains one that seeks income from a variety of different sources and is not solely dependent on grant aid. Community Music's key focus is to ensure the charity continues to seek new sources of income and funding, including self-generated income, to protect itself and to ensure long-term viability.

The fundraising strategy which exploits many sources of income including:

- Funding from CSR, regular individual giving, high net worth individuals and organisations
- Other earned income from Adult Creative learning sales,
- Continuing current funding relationships with HE and other service providers
- Continuing to generate income through grant aid.

6.7 Unrestricted funding for general purposes.

Community Music is the recipient of funds from the Arts Council and was successfully awarded a three-year National Portfolio funding agreement this year, lasting until 2026. The funding is tied to a programme of specific projects and outputs and covers core costs. The Arts Council view their funding as investment rather than grant aid and are specific about the returns they wish to see. Community Music has a good relationship with the Arts Council and the Relationship Manager is working closely with Community Music to develop that relationship further.

Community Music has continued to move forward as a more resilient, self-sufficient organisation, and continue to see the development of this new model building over the coming years. Fee paying tuition is increasingly supporting the non-fee-paying delivery whilst continuing to offer low-cost access to higher education. Community Music is also building on their corporate sponsors. Community Music continues to successfully grant funds from trusts, foundations and internal surplus which allow the charity to develop work such as the Mind the Music project and Re-Charge.

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7. Risk Statement

The trustees actively review the major risks to the company on a regular basis and believe that maintaining free reserves combined with regular internal review of financial controls provides sufficient protection against unforeseen financial variations. Other operational risks are assessed annually, and effective action taken to mitigate these risks.

8. Going Concern

Although evidence suggests that the emergency is over the Trustees have been carrying out a continuous assessment of the impact of COVID-19 on the operations of the charity, and considered the risks and threats posed.

The Trustees are satisfied that to date, the threat to future operations has been minimal, and whilst working arrangements have had to be adapted, this has not significantly reduced the effectiveness of the organisation.

The Trustees are monitoring events and have a protocol in place, to provide a quick response to any changes in the operating environment, but currently do not anticipate any circumstances that significantly curtail the ability of the charity to function.

The Trustees have also considered the non-COVID-19 related circumstances and projections of the charity and are satisfied that the going concern basis is appropriate for these financial statements.

9. Volunteers

All our work is carried out by our paid team. However, CM appreciates those who have given their time voluntarily to provide pro-bono advice and support. This has enhanced and enriched CM's work. The advice and support are generally project based or relating to specific aspects. The efforts of volunteers constitute a valuable element of the charity's activities.

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Trustees' Responsibilities Statement

Directors Responsibilities

- (a) the directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations and in accordance with United Kingdom Generally Accepted Accounting Practice.
- (b) company law requires the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit profit or loss of the charity for that period.
- (c) in preparing the financial statements the directors are required to:
 - (i) select suitable accounting policies and then apply them consistently.
 - (ii) make judgements and accounting estimates that are reasonable and prudent.
 - (iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
 - (iv) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.
- (d) the directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the charity and that enable them to ensure that the financial statements comply with the Companies Act.
- (e) the directors are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities; and
- (f) where appropriate, the directors are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website.
In the case of CA 06 Co. s418(2) each of the persons who are directors at the time when the report is approved, the following applies:
 - (a) so far as each director is aware, there is no relevant information (information needed by the independent examiner in connection with preparing his report) of which the independent examiner is unaware; and
 - (b) each director has taken all the steps that she/he ought to have taken as a director to make himself aware of any relevant information and to establish that the independent examiner is aware of that information

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The trustees' annual report was approved on 18th June 2024 and signed on behalf of the board of trustees by:



H Searle
Chair



J Prince
Trustee

INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES OF COMMUNITY MUSIC

I report to the trustees on my examination of the financial statements of Community Music Ltd (the Charity) for the year ended 31 March 2023, which comprise the Statement of Financial Activities, the statement of financial position, statement of cashflows and related notes.

Responsibilities and basis of report

As the charity's trustees of Community Music Ltd (who are also the directors of the company for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of Community Music Ltd are not required to be audited for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011. In carrying out my examination, I have followed the Directions given by the Charity Commission (under section 145 of the 2011 Act).

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. My work has therefore been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Independent examiner's statement

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

- accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- the financial statements have not been prepared in accordance with the Charities SORP (FRS102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Roger Mutinta BA
Independent Examiner
Date: 18th June 2024

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Statement of Financial Activities
For the year ended 31st March 2023

				2023	2022
		Unrestricted	Restricted		
		funds	funds	Total funds	Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	146,591	45,476	192,067	173,393
Charitable activities	6	363,465	7,500	370,965	423,441
Investment income	7	222	-	222	10
Other income	8	-	-	-	354
Total income		510,278	52,976	563,254	597,198
Expenditure					
Expenditure on raising funds: Costs of other trading activities	9	42,664	-	42,664	42,673
Expenditure on charitable activities	10	457,897	45,142	503,039	445,795
Total expenditure		500,562	45,142	545,703	488,468
Net income and net movement in funds		9,716	7,834	17,550	108,730
Total funds brought forward		656,583	90,052	746,635	746,635
Total funds carried forward		666,299	97,886	764,185	855,365

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 17 to 27 form part of these financial statements

Community Music
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Statement of Financial Position
31st March 2023 **Note**

		2023	2022
		£	£
Fixed assets	19	21,153	31,729
Tangible fixed assets			
Current assets			
Debtors	20	181,421	228,336
Cash at bank and in hand		573,084	496,821
		754,505	725,157
Creditors: amounts falling due within one year	21	(11,473)	(10,251)
Net current assets		743,033	714,906
Total assets less current liabilities		<u>764,185</u>	<u>746,635</u>
Funds of the charity			
Restricted funds		97,886	90,052
Unrestricted funds		<u>666,299</u>	<u>656,583</u>
	23		
Total charity funds		<u>764,185</u>	<u>746,635</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 18th June 2023, and are signed on behalf of the board by:



H Searle
Trustee



J Prince
Trustee

Company Registration Number: 01967704

The notes on pages 17 to 27 form part of these financial statements

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Statement of Cash Flows
For the year ended 31st March 2023

Cash flows from operating activities	2023	2022
	£	£
Net income	17,550	108,730
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	10,576	15,864
Other interest receivable and similar income	(222)	(10)
<i>Changes in:</i>		
Trade and other debtors	46,915	45,601
Trade and other creditors	1,222	(36,509)
Cash generated from operations	76,042	133,676
Interest received	222	10
Net cash from operating activities	76,263	133,686
Cash flows from investing activities		
Purchase of tangible assets	-	(47,593)
Net increase in cash and cash equivalents	76,263	86,093
Cash and cash equivalents at beginning of year	496,821	410,728
Cash and cash equivalents at end of year	573,084	496,821

The notes on pages 17 to 27 form part of these financial statements

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Notes to the Financial Statements
For the year ended 31st March 2023

1. General information.

The charity is a public benefit entity as defined by FRS102 and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is The Brady Centre, 192-196 Hanbury Street, London, E1 5HU

2. Statement of compliance.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

3. Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP) (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. The Charity 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)

In preparing the financial statements the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, the restatement of comparative items was required. After due consideration, it was concluded that no restatement of the comparatives was required.

The trustees have considered all relevant factors, including the long-term impact of COVID-19 on the charity's activities and have concluded there is no significant impact on the organisation.

It is therefore considered that the going concern status remains intact, and there are no material uncertainties about the charity's ability to continue.

Incoming resources

Voluntary income including donations, gifts and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised

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as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement.

Legacy income is recognised when receipt is probable, and entitlement is established.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.
- All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. With the exception of Cycle Scheme Assets the costs of minor additions or those costing below £2,500 are not capitalized

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset as follows:

Straight-line basis over 3 years • Office equipment & furniture
straight line basis over 2 years • Studio equipment
straight line basis over 3 years • Computers & musical equipment
straight line basis over 3 years • Cycle & computer scheme

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash generating unit to which the asset belongs. The cash generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted. Debt instruments are subsequently measured at amortised cost.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

Community Music Limited is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

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5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2023 £
Mintel Group	-	-	-	4,000
Mayer Brown	-	-	-	5,852
Other Donations (under £5,000)	2,062	-	2,062	38
Grants				
The Arts Council	136,101	45,476	181,578	136,426
National Foundation Youth Music	8,428	-	8,428	11,417
East End Community Foundation	-	-	-	14,260
Grants of £5000 or less	-	-	-	1,400
	146,591	45,476	192,067	173,393

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Accredited courses • fee income	351,750	-	351,750	371,220
Local projects & other training • grants and fees	-	7,500	7,500	25,277
Other income from charitable activities - KickStart	11,715	-	11,715	26,944
	363,465	7,500	370,965	423,441

7. Investment income

	Unrestricted Funds 2023 £	Unrestricted Funds 2022 £
Bank interest receivable	222	10

8. Other income

	Unrestricted Funds 2023	Unrestricted Funds 2022
Equipment sales	-	354

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			Total Funds	Total Funds
9. Costs of other trading activities	Unrestricted Funds	Restricted Funds	2023	2022
	£	£	£	£
Fundraising and publicity costs	42,664	-	42,664	42,673

10. Expenditure on charitable activities by fund type	Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£
Local youth music promotion	-	64,577	64,577	49,134
Professional training	285,921	-	285,921	253,980
Support costs	152,541	-	152,541	142,681
	438,462	64,577	503,039	445,795

11. Expenditure on charitable activities by activity type

	Direct Activities	Support Costs	Total funds	Total fund
	£	£	2023	2022
	£	£	£	£
Local youth music promotion	64,577	28,105	92,681	57,471
Professional training	285,921	115,829	402,751	382,935
Governance costs	-	7,607	7,607	5,389
	350,498	152,541	503,039	475,786

12. Analysis of governance costs

	Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
Audit Fees	6,954	-	6,954	5,184
Legal & Professional	653	-	653	205
Finance Marketing Other	-	-	-	-
Total	7,607	-	7,607	5,389

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13. Analysis of support costs (excluding governance costs)	Local Youth music promotion £	Professional training £	Total 2023 £	Total 2022 £
Staff costs	23,253	102,953	126,206	76,133
Premises	3,231	14,304	17,535	31,185
Communications and IT	676	2,994	3,670	13,548
Human resources + Legal & Professional	266	1,178	1,444	4,989
Finance costs	135	598	733	268
Support costs: Other costs	544	2,408	2,952	11,169
	28,105	124,436	152,541	137,292

14. Net income

Net income is stated after charging/(crediting):	2023	2022
Depreciation of tangible fixed assets	10,576	15,864
Operating lease rentals	1,744	1,744

15. Auditors remuneration

	2023	2022
Fees payable for the audit of the audited financial statements	5,454	2,394
Fees for non-audit services	1,500	2,790

16. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023	2022
Wages and salaries	288,603	294,904
Social security costs	17,001	17,514
Employer contributions to pension plans	4,800	5,508
	310,252	317,926

17. Staff costs (*continued*)

The average head count of employees during the year was 16 (2021: 17). The average number of full-time equivalent employees during the year is analysed as follows:

	2023	2022
	No	No
Accredited courses	1	1
Artist development	1	1
Development, Education, Networking	1	1
Fundraising and publicity	1	1
	<u>4</u>	<u>4</u>

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £37,212.91 (2022: £52,863).

18. Trustee remuneration and expenses

None of the trustees received any remuneration and no members received expenses during the year (2023: Nil).

No trustee expenses have been incurred during the year (2022: Nil)

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19. Tangible Assets

Cost	Office Equipment	Studio Equipment	Computer and Musical Equipment	Cycle & Computer Scheme	Total
	£	£	£	£	£
At 1 April 2022	13,750	29,156	106,722	3,307	152,935
Additions	-	-	-	-	-
	-	-	-	-	-
At 31 March 2023	13,750	29,156	106,722	3,307	152,935
Depreciation					
At 1 April 2022	11,190	29,156	77,553	3307	121,206
Charge for the year	853	-	9,723	-	10,576
Disposals	-	-	-	-	-
	-	-	-	-	-
At 31 March 2023	12,043	29,156	87,276	3,307	131,782
At 31 March 2023	1,707	-	19,446	-	21,153
At 31 March 2022	2,500	-	29,169	-	31,729

20. Debtors

	2023	2022
	£	£
Accounts Receivable	14,624	204,277
Accrued Income	165,000	19,355
Debtors	1,494	51
Prepayments	303	4,653
	181,421	228,336

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21. Creditors: amounts falling due within one year

	2023	2022
	£	£
Accounts Payable	3,884	3,455
Accruals & Def Income	87	1,133
Social security and other taxes	6,622	4,628
Other creditors	880	1,035
TOTAL	11,473	10,251

The figure of other creditors includes a pension liability of £ £880 (2022: £1,035).

22. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £4,800 (2022: £5,508).

23. Analysis of charitable funds Unrestricted funds

	At			At	At
	1 April 2022	Income	Expenditure	31 March 2023	1 April 2022
	£	£	£	£	£
General funds	656,586	510,278	(500,562)	666,302	522,230
Restricted funds					
	At			At	At
	1 April 2022	Income	Expenditure	31 March 2023	1 April 2022
	£	£	£	£	£
Youth Music • General	42,548	45,476	-	69,403	53,587
Children in need	1,335	-	-	1,335	1,335
Youth Music • 'Can Play, Will Play'	581	-	-	581	581
Arts Council • Capital Grant	45,588	7,500	(45,142)	7,946	60,172
	90,052	52,976	(45,142)	97,886	115,675

24. Analysis of charitable funds (continued)

Purposes of Funds

BBC Children in Need (General Youth Music) • To support young people with mental health and wellbeing issues through creative music making (Mind the Music Programme).

J A Clarke Charitable Trust (General Youth Music) – To support young people with mental health and wellbeing issues through creative music making (Mind the Music Programme).

BBC Children in Need (General Youth Music) • To support young people with mental health and wellbeing issues through creative music making (Mind the Music Programme).

East End Community Fund (General Youth Music) – To support Re•Charge, free sessions are run by experienced tutors in professional industry standard studios. Available to those between the ages of 12 & 25. National Foundation MTM Plus (General Youth Music) • To support young people with mental health and wellbeing issues through creative music making (Mind the Music Programme).

Homes for Haringey (General Youth Music) – to enable young people to produce their own radio shows, podcasts and skills.

Arts Council Capital Grant – to acquire studio equipment and resources to broaden and increase training to its users.

25. Analysis of net assets between funds

	Un restricted Funds	Restricted Funds	Total Funds 2023
	£	£	£
Tangible fixed assets	1,707	19,446	21,153
Current assets	700,302	78,440	778,742
Creditors less than 1 year	(11,473)	-	(11,473)
	666,299	97,886	764,185

	Unrestricted Funds	Restricted Funds	Total Funds 2,022
	£	£	£
Tangible fixed assets	2,500	29,169	31,669
Current assets	664,274	60,883	725,157
Creditors less than 1 year	(10,251)	0	(10,251)
	656,523	90,052	748,597

26. Analysis of changes in net debt

	At 1 April 2022	Cashflow	At 31 March 2023
Cash at bank and in cash	496,821	76,263	573,084

27. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2023	2022
Not later than 1 year	1,584	1,584
Later than 1 year and not later than 5 years	0	549
	<u>1,584</u>	<u>2,133</u>

28. Post balance sheet events

The trustees have considered the likelihood of any significant post balance sheet events and have concluded that there are none which impact the financial statements.

29. Related parties

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year or the previous year. There were no related party transactions during the year.