

COMMUNITY MUSIC
TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024
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 2024

Contents	Page Number
Trustees' annual report (incorporating the director's report)	2 to 12
Independent examiner's report to the members	13
Statement of financial activities (including income and expenditure account)	14
Statement of financial position	15
Statement of cash flows	16
Notes to the audited financial statements	17 to 27

Community Music
Company Limited by Guarantee
Trustees Report (Incorporating the Director's Report)
For the year ended 31st March 2024

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 2024.

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 (Resigned November 2024, Replaced by Eddie Gower November 2024 to January 2025)
Company Secretary	Richard Clegg, Resigned, replaced by John Prince
Independent Examiner:	Roger Mutinta
Bankers	Lloyds Bank 40 Rosslyn Hill London NW3 1NL Solicitors Harbottle and Lewis 14 Hanover Square London W1S 1HP

Community Music
Company Limited by Guarantee
Trustees Report (Incorporating the Director's Report)
For the year ended 31st March 2024

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.

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.

1.4 Trustee induction: new trustees receive an induction pack and session from the Managing Director 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 Chair before appointment and are invited as an observer to one 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.

Community Music
Company Limited by Guarantee
Trustees Report (Incorporating the Director's Report)
For the year ended 31st March 2024

5. Artist and Business Support

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

6. Key Targets for 2023-24

Ensuring Continued Provision of Youth Music Opportunities in London

Our 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

We are 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, we will partner with professional promoters and festival organisers. This collaboration will enable us to:

- **Promote New Talent:** By securing performance opportunities in successful live music contexts that guarantee audiences, we will champion the emergence of new talent.
- **Artist and Business Support:** We will provide artists with artist 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 they have set. Community Music reviews their aims, objectives and activities each year to assess the success of each key activity, and the benefits they have brought to those groups of people they are set up to help. This ensures Community Music's aims, objectives and activities remain focused on their 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.

Termination of The Creative Music Production and Business Degree

CM's Degree Access Two-Term Course was under review by its academic partner the University of Westminster for re-accreditation of its major module, which it successfully achieved in August 2023. However, shortly after re-accreditation had been achieved, it emerged that the changes made to the part of the course under accreditation had significantly increased the cost of delivering it, without securing a matching increase in income.

This situation coincided with the discovery of a change in the government's approach to access to Higher Education which meant that organisations like CM could no-longer provide access to students coming from outside the traditional O and A level route but now had to compete to recruit students from the same sources as the universities themselves.

Community Music
Company Limited by Guarantee
Trustees Report (Incorporating the Director's Report)
For the year ended 31st March 2024

This situation led to the resignation of the Chief Executive in September 2023, stepping down in November 2023 to be replaced by an interim Chief Executive until January 2024. Initially, it was thought that the both the 1st and 2nd Year cohorts would be able continue the course, until it emerged that the number of students needed to make the course financially viable exceeded both the actual number recruited and CM's ability to accommodate the required additional students within its existing accommodation at Brady Street.

This led to a rapid and successful engagement with the university to take on all of CM's students after the end of the first term in December 2024. This secured the educational future for the 60 plus students but led all the tutors and support staff for the course being released at the end of January 2024. It also led to a major reduction in CM's income for 2023/24 due to the reduction of Degree Access course income, and its elimination in 2024/25, leaving the Art's Council as the only major source of income for CM for the immediate future.

The impact of the closure of Degree Access course was to refocus CM on its community outreach programmes as its main activity, but also led to these courses being closed down in the short to medium term as the staff resources were no-longer available to run them:

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 now supports with internal funds.

This project focuses on the mental health of young people participating in existing Community Music programs, 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.

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

Community Music
Company Limited by Guarantee
Trustees Report (Incorporating the Director's Report)
For the year ended 31st March 2024

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.

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.

Community Music
Company Limited by Guarantee
Trustees Report (Incorporating the Director's Report)
For the year ended 31st March 2024

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 2023-24 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 University Malaysia, 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, PyroRadio, 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.

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.

Community Music
Company Limited by Guarantee
Trustees Report (Incorporating the Director's Report)
For the year ended 31st March 2024

5.3 Community Music's higher education tuition fees were 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 - Community Music works hard to ensure no one is excluded due to financial reasons where possible. The facilities are fully accessible and have full 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 our 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

Period	- 2021-22	2022-23	2023-24
Income:			
Unrestricted	- £597,198	£510,278	£245,613
Restricted	- £90,052	£52,976	£49,440
Surplus(deficit)	- £108,730	£17,550	(£250,466)

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

6.4 Financial Stability and Resilience

Community Music has continued to build earned income and decrease dependence on grant aid. 85% of Community Music's income in 2023-24 is classified as unrestricted funds. Whilst remaining financially accessible for students, the Foundation Degree generated a significant proportion of the income through tuition fees and supports the delivery of the free access education programmes on offer at Community Music. With the termination of this source of income, CM faces the challenge of replacing this level of income when all the traditional sources have declined or ended. CM has sufficient reserves to relaunch

Community Music
Company Limited by Guarantee
Trustees Report (Incorporating the Director's Report)
For the year ended 31st March 2024

it's community activities in 2024/25 on a modest scale, but requires new partnerships to leverage CM's reputation and resources, along with new funding, to move forward and prosper from 2025/26 onwards.

Community Music remains an Arts Council National portfolio client, and their current funding stands at £136,426 per year, but progress will need to be demonstrated to enable confirmation of its ongoing support. This is likely to be contingent on successful applications to new funding opportunities.

The Arts Council percentage ratio return has been 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.

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.

The rapid change in CM's circumstances means that new ways forward, including partnership with another music organisation are now being considered.

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 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

The trustees consider CM to still be a viable organisation, having discharged the vast bulk of its obligations and sharply reduced ongoing expenditure, but are conscious that without either new source(s) of income and/or new partnerships, the medium-term outlook for CM is limited.

Community Music
Company Limited by Guarantee
Trustees Report (Incorporating the Director's Report)
For the year ended 31st March 2024

9. Volunteers

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

Community Music
Company Limited by Guarantee
Trustees Report (Incorporating the Director's Report)
For the year ended 31st March 2024

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 situation 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 audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
 - (b) Each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are 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 2024 which comprise the Statement of Financial Activities, the statement of financial position, statement of cashflow 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, ACCA
Independent Examiner
Date: 17th December 2024

Community Music
Company Limited by Guarantee
Statement of Financial Activities
For the year ended 31st March 2024

				2024	2023
		Unrestricted	Restricted		
		funds	funds	Total funds	Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	139,109	-	139,109	192,067
Charitable activities	6	105,189	49,440	154,629	370,965
Investment income	7	1,315	-	1,315	222
Other income	8	-	-	-	-
Total income		245,613	49,440	295,053	363,254
Expenditure					
Expenditure on raising funds	9	49,750	-	49,750	42,664
Expenditure on charitable activities	10	449,136	46,633	495,769	503,039
Total expenditure		498,886	46,633	545,519	545,703
Net income and net movement in funds		(253,273)	2,807	(250,466)	17,550
Total funds brought forward		666,299	97,886	764,185	746,635
Total funds carried forward		413,026	100,693	513,719	764,185

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
Company Limited by Guarantee
Statement of Financial Position
31st March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible fixed assets	19	29,122	21,153
Current assets			
Debtors	20	58,103	181,421
Cash at bank and in hand		447,270	573,084
Total current assets		505,373	754,505
Creditors: amounts falling due within one year	21	(20,776)	(11,473)
Net current assets		484,598	743,033
Net current assets		<u>513,719</u>	<u>764,185</u>
Funds of the charity			
Restricted funds		100,693	97,886
Unrestricted funds	23	<u>413,026</u>	<u>666,299</u>
Total charity funds		<u>513,719</u>	<u>764,185</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 17th December 2024, 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

Community Music
Company Limited by Guarantee
Statement of Cash Flows
For the year ended 31st March 2024

Cash flows from operating activities	2024	2023
	£	£
Net income	(250,466)	17,550
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	14,543	10,576
Other interest receivable and similar income	(1,315)	(222)
<i>Changes in:</i>		
Trade and other debtors	123,318	46,915
Trade and other creditors	9,303	1,222
Cash generated from operations	(104,617)	76,042
Interest received	1,315	222
Net cash from operating activities	(103,302)	76,263
Cash flows from investing activities		
Purchase of tangible assets	(22,512)	-
Net increase in cash and cash equivalents	(125,814)	76,263
Cash and cash equivalents at beginning of year	573,084	496,821
Cash and cash equivalents at end of year	447,270	573,084

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

Community Music
Company Limited by Guarantee
Notes to the Financial Statements
For the year ended 31st March 2024

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

Community Music
Company Limited by Guarantee
Notes to the Financial Statements
For the year ended 31st March 2024

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 are largely independent of the cash inflows from other assets or groups of assets.

Community Music
Company Limited by Guarantee
Notes to the Financial Statements
For the year ended 31st March 2024

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 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.

Community Music
Company Limited by Guarantee
Notes to the Financial Statements
For the year ended 31st March 2024

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Total Funds 2023 £
Other Donations (under £5,000)	2,144	-	2,144	2,062
Grants				
The Arts Council	136,965	-	136,965	181,577
National Foundation Youth Music	-	-	-	8,428
	139,109	-	139,109	192,067

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Total Funds 2023 £
Accredited courses • fee income	97,500	-	97,500	351,750
Local projects & other training • grants and fees	-	49,440	49,440	7,500
Other income from charitable activities	7,689	-	7,689	11,715
	105,189	49,440	154,629	370,965

7. Investment income

	Unrestricted Funds 2024 £	Unrestricted Funds 2023 £
Bank interest receivable	1,315	222

8. Other income

	Unrestricted Funds 2024	Unrestricted Funds 2023
Equipment sales	-	-

Community Music
Company Limited by Guarantee
Notes to the Financial Statements
For the year ended 31st March 2024

	Unrestricted Funds	Restricted Funds	Total Funds 2024	Total Funds 2023
	£	£	£	£
9. Costs – other trading activities				
Fundraising and publicity costs	49,750	-	49,750	42,664

10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2023 £
Local youth music promotion	4,341	46,633	500,974	64,577
Professional training	303,409	-	303,409	285,921
Support costs	141,386	-	141,386	152,541
	449,136	46,633	495,769	503,039

11. Expenditure on charitable activities by activity type

	Direct Activities £	Support Costs £	Total funds 2024 £	Total Funds 2003 £
Local youth music promotion	50,974	20,337	71,311	92,681
Professional training	303,409	103,049	406,458	402,751
Governance costs	-	18,000	18,000	7,607
	354,383	141,386	495,769	503,039

12. Analysis of governance costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2023 £
Audit & accountancy fees	3,000	-	3,000	6,954
Legal & Professional	15,000	-	15,000	653
	18,000	-	18,000	7,607

Community Music
Company Limited by Guarantee
Notes to the Financial Statements
For the year ended 31st March 2024

13. Analysis of support costs (excluding governance costs)	Local Youth music promotion	Professional training	Total 2024	Total 2023
	£	£	£	£
Staff costs	15,127	72,104	87,231	126,206
Premises	2,944	14,035	16,979	17,535
Communications and IT	802	3,821	4,623	3,670
Human resources & Legal costs	1,246	5,940	7,186	1,444
Finance costs	31	149	180	733
Support costs: Other costs	1,246	5,941	7,187	2,952
	21,396	101,990	123,386	152,541

14. Net income

Net income is stated after charging/(crediting):	2024	2023
	£	£
Depreciation of tangible fixed assets	14,543	10,576
Operating lease rentals	1,584	1,744

15. Auditors remuneration

	2024	2023
	£	£
Fees payable for the audit of the audited financial statements	2,000	5,454
Fees for non-audit services	1,000	1,500

16. Staff costs

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

	2024	2023
	£	£
Wages and salaries	219,135	288,603
Social security costs	11,369	17,001
Employer contributions to pension plans	3,932	4,800
	234,436	310,404

Community Music
Company Limited by Guarantee
Notes to the Financial Statements
For the year ended 31st March 2024

17. Staff costs (continued)

	2024	2023
	No	No
Accredited courses	1	1
Artist development	1	1
Development, Education, Networking	1	1
Fundraising and publicity	-	1
	<u>3</u>	<u>4</u>

No employee received employee benefits of more than £60,000 during the year (2023: 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 £nil (2023: £37,213).

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 (2023: Nil)

Community Music
Company Limited by Guarantee
Notes to the Financial Statements
For the year ended 31st March 2024

19. Tangible Assets

Cost	Office Equipment	Studio Equipment	Computer and Musical Equipment	Cycle & Computer Scheme	Total
	£	£	£	£	£
At 1 April 2023	13,750	29,001	106,722	3,307	152,935
Additions	20,400	-	2,112	-	22,512
At 31 March 2024	34,150	29,156	108,834	3,307	175,447
Depreciation					
At 1 April 2023	12,043	29,156	87,276	3,307	131,782
Charge for the year	4,820	-	9,723	-	14,543
At 31 March 2024	16,863	29,156	96,999	3,307	146,325
At 31 March 2024	17,287	-	11,835	-	29,122
At 31 March 2023	1,707	-	19,446	-	21,153

20. Debtors

	2024	2023
	£	£
Accounts Receivable	16,188	14,624
Accrued Income	37,500	165,000
Other sundry debtors	-	1,494
Prepayments	4,416	303
	58,104	181,421

Community Music
Company Limited by Guarantee
Notes to the Financial Statements
For the year ended 31st March 2024

21. Creditors: amounts falling due within one year

2024	2023
£	£
2,414	3,884
18,000	87
230	6,622
132	880
20,776	11,473

The other creditors relate to a pension liability of £ £132 (2023: £880).

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 £5,243 (2023: £4,800).

23. Analysis of charitable funds

Unrestricted funds	At			At	At
	1 April 2023	Income	Expenditure	31 March 2024	31 March 2023
	£	£	£	£	£
General funds	666,299	245,613	(498,886)	413,026	666,302
 Restricted funds					
	At			At	At
	1 April 2023	Income	Expenditure	31 March 2024	31 March 2023
	£	£	£	£	£
Youth Music • General	88,024	49,440	(46,633)	90,831	53,587
Children in need	1,335	-	-	1,335	1,335
Youth Music • 'Can Play, Will Play'	581	-	-	581	581
Arts Council • Capital Grant	7,946	-	-	7,946	60,172
	97,886	49,440	(46,633)	100,693	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 ReCharge, free sessions are run by experienced tutors in professional industry standard studios. Available to those between the ages of 12 and 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.

25. Analysis of net assets between funds

	Un restricted	Restricted	Total Funds 2024
	Funds	Funds	
	£	£	£
Tangible fixed assets	17,287	11,835	29,122
Current assets	416,515	88,858	505,373
Creditors less than 1 year	(20,776)	-	(20,776)
	413,026	100,693	513,719

	Unrestricted	Restricted	Total Funds 2,023
	Funds	Funds	
	£	£	£
Tangible fixed assets	1,707	19,446	21,153
Current assets	676,065	78,440	754,505
Creditors less than 1 year	(11,473)	-	(11,473)
	690,536	97,886	764,185

26. Analysis of changes in net debt

	At 1 April 2023	Cashflow	At 31 March 2024
	£	£	£
Cash at bank and in cash	573,084	(125,814)	447,270

Community Music
Company Limited by Guarantee
Notes to the Financial Statements
For the year ended 31st March 2024

27. Operating lease commitments

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

	2024	2023
	£	£
Not later than 1 year	549	1,584
Later than 1 year and not later than 5 years	-	549
	<u>549</u>	<u>2,133</u>

28. Operating lease commitments

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.