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COMPANY REGISTRATION NUMBER
01967704

COMMUNITY MUSIC LIMITED

Company Limited by Guarantee

FINANCIAL STATEMENTS

31 MARCH 2013

Charity Number 293419

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Jackson & Jackson Accountants Limited
Chartered Accountants & Statutory Auditors
33 Chingford Mount Road
London E4 8LU

COMMUNITY MUSIC LIMITED

Company Limited by Guarantee

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

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COMMUNITY MUSIC LIMITED

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TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2013

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2013

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Community Music Limited
Charity registration number	293419
Company registration number	01967704
Registered office	The Brady Centre 192-196 Hanbury Street London E1 5HU

THE TRUSTEES

The trustees who served the charity during the period were as follows

John Prince
Neil Cartwright (Chair)
Vanessa Chadwick
Brian De Lord
Pauline Muir
Steven Savale
Helen Searle

Steven Savale was appointed as a trustee on 2 July 2012

Secretary	Maricia Klincke
Managing director	Maricia Klincke
Auditor	Jackson & Jackson Accountants Limited Chartered Accountants & Statutory Auditor 33 Chingford Mount Road London E4 8LU
Bankers	Lloyds TSB 40 Rosslyn Hill London NW3 1NL
Solicitors	Harbottle and Lewis 14 Hanover Square London W1S 1HP

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TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2013

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 New trustees are appointed from time to time at the discretion of 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 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 trustees role on the Board. They meet with the Chair before appointment and are invited as observer to one meeting before a decision is made for them to join the board of trustees.
- 1 4 The Charity is overseen by the trustees at a minimum of 4 meetings a year, although in practise this is usually more, and an annual budget including salary levels and staffing changes is proposed by the Managing Director and approved by the Board. Major policy discussions and programme initiatives relating to that policy are discussed and approved by the Board. The Managing Director is responsible for preparing budgets and ensuring financial stability in terms of fundraising and day-to-day cost control. She also is responsible for creation of new projects to maintain the objectives and fulfil the aims of the trust. Trustees also give them time and expertise occasionally by visiting students and speaking on their subject specialism where appropriate.
- 1 5 The Charity maintains a strong relationship with other similar community music projects and funders through the consortium of like-minded projects established in 2004 called Sound Connections and through its working partnerships.

2. Objectives and Activities

- 2 1 The objectives of the charity as set out in its articles of association are as follows

To promote, maintain, improve and advance education particularly by the improvement and development of public taste, appreciation and understanding of music, particularly of jazz music and the encouragement of the arts including music, singing, dancing, drama, literature, sculpture and painting

- 2 2 The Aims of the charity are

- 1) Overall Strategic Aim
To become the principal provider of non-formal youth music opportunities in Tower Hamlets
- 2) Artist & Business Support
To support artists and businesses towards independence in their careers
- 3) Youth Music Opportunities
To provide opportunities for young people to access and participate in creative music making and production in modern genres

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YEAR ENDED 31 MARCH 2013

- 4) Professional Training
To deliver, and create access routes to, higher education in modern music for aspiring professional artists, and individual training for career development
- 5) Internationalism
To create opportunities for music and cultural collaborations between young people across Europe and internationally
- 6) Live Music Promotion
To partner closely with professional promoters and festival organisers to promote new talent in successful live music contexts that guarantee audiences

2.3 Ensuring our work delivers our aims

In shaping and reviewing our aims and objectives for the year and planning our 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. We review our 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 we are set up to help. This ensures our aims, objectives and activities remained focused on our stated purposes.

2.4 Specific Objectives of the charity are

Finance and Governance

- To build and retain reserves totalling 20% of our annual turnover
- To increase & maintain board membership to 8 members
- To implement a sustainable fundraising strategy

Local Youth Music Provision

- To develop and maintain projects and partnerships within east London
- To provide diverse opportunities for progression for young people entering training at CM
- To establish CM as a key facilitator for cross industry music partnerships within Tower Hamlets
- To further develop our participation in major borough projects such as
- the Cultural Olympiad and Hub

Professional Training

- To continue to provide graduate level training in partnership with higher education in creative production, business and music leading and develop new opportunities where possible

Artist and Business Support

- To support the careers and music of emerging artists with professional training, advice, networking and marketing guidance, international opportunities and live music promotion

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Live Music Promotion

- To develop and maintain partnerships with key music promoters to promote new talent at well established festivals and venues

Internationalism

- To identify sources of funding for international work
- To develop an achievable project that will create opportunities for music and cultural collaboration, which complements the key priorities of CM

2 5 The Charity's strategies for the above are to work in partnership with all the relevant agencies and raise funds from as broad a cross section as possible of government agencies, HE institutions, private individuals, corporate trusts and NGO's to achieve the objectives

2 6 Details of significant activities

Throughout 2012-13 CM continued to operate a Training and Production Centre in East London offering structured access, professional training, artist development projects, live events, artist resources, outreach projects and new music production opportunities. During the year the project ran the following

Foundation Degree in Creative Music Production & Business

2 year course firstly focusing on industry standard music production skills developing into a full year of business skills training, culminating in the development of a full business plan for a creative business

Arts & Music Leader Training Programme

A programme of short courses providing workshop and teaching skills culminating in the achievement of a City and Guilds Preparing to Teach in the Lifelong Learning Sector qualification

Music Space

Year round programme of weekly workshops for under-18 bands and musicians in Tower Hamlets, including rehearsal space, performance skills, technology and rehearsal skills. This developed from once weekly to two nights per week (Tuesday and Thursday)

Rehearsal Space

Open rehearsal studios for local youth bands, 2 evenings a week (Mon, Wed), fully supported with backline, instruments and an on site technician

Music Space Academy

Weekly weekend instrumental tuition for 13-19 year olds living or studying in Tower Hamlets. Guitar, Bass, Drums and Keyboard tuition followed by group band rehearsal

Music Space Academy Juniors

A pilot programme teaching band instruments to 6-12 year old children referred from a local Bengali arts company every Saturday morning

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TRUSTEES ANNUAL REPORT *(continued)*

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East Beats

A year-long project offering outreach music tuition in youth centres across the borough focussing on the themes of the Olympics, culminating in a major final performance for participants

Can Play, Will Play

An 18-month project funded by youth music to reach out to the local youth community and engage them in creative music making and ongoing provision

Now Time

A programme of short courses for adults in music production, music for TV etc

Live Showcasing

Music Space Live - Live showcase gigs to support new talent and encourage the development of live performance skills

Music for Youth Regional and National Festival – live performance opportunities for young bands on CM's programme to showcase their skills locally and Nationally and the Birmingham National Festival

3. Achievements and performance

3.1 A review of charitable activities and measures or indicators for success

- The professional training courses were all certificated by university partners and successfully reach the target of 100% recruitment every year. There are also waiting lists for enrolment demonstrating the demand.
- The majority of students have no formal music qualifications and over 60% are unemployed at point of entry to the courses. This demonstrates success in recruiting target client groups to fulfil the aims of access and improving educational and social inclusion.
- Small business development through resource support, professional development, mentoring and networking are provided through two programmes. Success is measured by creation of successful employment through small businesses or other employment routes, or further training.
- Successful development of youth and community music projects fully subscribed by those in the local community. Success is measured by their creation and survival, and continued attendance records.
- Promotion of modern music performances to new audiences is achieved through live promotions across London and the UK, in traditional and non-traditional venues.

Notable achievements in the year were

Catalyst

CM successfully applied to the Arts Councils Catalyst fund for money which would enable us to diversify our income streams to include individual giving, philanthropy, CSR and donations. As a result of this we were able to employ a new full time member of staff to take on responsibility for developing this work. The new work has centred on the development of a Friends scheme, which offers both individuals and corporate organisations the opportunity to not only donate to CM, but to

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YEAR ENDED 31 MARCH 2013

engage in a trade. This ensures donors really experience CM's work for themselves, develop a greater understanding of how we work, and buy into the project on a deeper level. The friends scheme for individuals allows donors to donate at different levels, from £60 per year to £1500 and above. In return for their donation, donors will receive anything from regular information, music and invitations to events, to tuition in creative music making which they can take up themselves or gift to a loved one, days in the studio and recording experiences.

On a corporate level, we were keen to engage with larger company CSR strategies and also explore the possibility of becoming a solution for their staff training needs as well. The Corporate friends scheme enables companies to donate to CM according to their CSR strategies and interests, but we are also able to access company staff training budgets. Through making a donation to CM, companies can access team away days, staff training events or team building activities, all with a creative musical slant. By engaging in this way, their donation may result in their staff also benefitting from our work, and experiencing the CM way for themselves, therefore allowing greater buy-in and hopefully continued support. Staff training days have proved a real success, particularly for companies who have no creative aspect to their work, such as accountants or solicitors.

This is a significant change in the way CM works, and forms a concerted effort to engage with individual giving, corporate CSR and other areas of earned income. Pairing this up with a selection of paid for evening adult courses, people who engage with CM in this way are then also able to access learning for themselves, and many of our initial donors have become students!

Our most successful partnership under this banner to date has been with Deutsche bank. We are working closely with two of the senior CSR managers at the bank to develop fundraising events such as a City battle of the bands, where any funds raised will be donated to CM under a Match giving scheme run by the bank, which increases the amount raised by 1:1.5. We have had one high end individual donor so far, and a number of corporate donations. We are in the early days of the scheme, with the formal launch due in June 2013, but initial response has been exceptionally positive.

Professional Training

FdA Creative Music Production & Business

In the light of recent cuts to higher education, and a limitation on the number of student places available to the University of Westminster, with whom we ran the FdA Creative Music Production & Business course, it became essential to find a new partner able to access students numbers on our behalf and who could begin a new relationship with us in the delivery of the foundation degree. September 2012 saw the establishment of a ground breaking tri-partite agreement between delivery partner CM, the University of Westminster responsible for quality assurance and validation, and a new partner, the City of Westminster College, as the financial base partner. This three-way partnership has worked very successfully in its first year, and the City of Westminster College have proved an excellent fit for CM in their outlook to increasing access to higher education and their willingness to expand their target audience reach through partnership organisations. We are currently recruiting for our second year of the course under this new partnership structure, and feel very positive about the continuation and fruitfulness of it.

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The interest and level of applications to the Arts & Music Leader Training Programme remains high. The City & Guilds qualification is now well embedded into FE and the lifelong learning sector and demand for creative delivery seems high. The course provides a tailor-made programme for those wishing to gain skills in teaching and workshop leading. CM successfully gained City and Guilds status and students can achieve a full C&G PTLLS qualification through this course. CM has developed the course into a Foundation Degree in Community Music Practice, and are currently in discussion with a number of HE/FE partners to bring this online as soon as possible.

CM were invited to be part of the working group responsible for developing the new Qualified Music Educator qualification commissioned by the Arts Council. As a new qualification to cover all music teachers working in the voluntary arts and non formal learning sector we were keen to be a part of its development and look forward to exploring the possibilities for implementation in the coming year.

East Beats

The East Beats youth outreach programme was delivered between Sept 2011 and July 2012 and culminated in a special local youth community performance of original music that celebrated the projects creative musical output throughout the year, at an event timed to coincide with the Olympic Opening Ceremony. The project worked in a number of youth clubs throughout the borough, offering training in music production, song-writing and instrumental skills, all surrounding the themes of the Olympics.

Local Youth Projects

The development and continuation of existing projects in our Youth programme lay at the heart of much of work during 12-13. CM continued its long-term partnership with A Team Arts, Local authority youth service, Futureversity, the Tower Hamlets music service now the Music Hub and council's arts departments, to provide music workshops, recording studio, rehearsal facilities and performances for young musicians. Our partnership with the local authority through 'A' Team Arts, the borough's youth arts service, continues to thrive, as CM remains the music delivery partner for the youth arts service in the borough.

CM was successful in obtaining Youth Music funding to run an 18-month outreach project called Can Play, Will Play, which encourages young people to take up creative music making and then access further or existing programmes. The project enables us to partner with key youth organisations working in the borough, including THAMES, youth clubs and NEET organisation Tomorrow's People. It has been a fantastic opportunity to focus on working with difficult and hard to reach young people, and really engage them in create music making and positive activities which they are able to continue with at CM after the Youth Music funded project has finished. One particularly positive outcome of the project has been the establishment of a new partnership between ourselves and Tomorrow's People, and we are currently fundraising to continue working together in this way.

This year saw the implementation of the Local Music Hubs across the UK, replacing the local music services as a result of the Henley Review. Tower Hamlets music service 'Tower Hamlets Arts and Music Education service' (THAMES) bid to lead the Hub for the area, and was successful in

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establishing a great partnership of formal and non formal delivery partners, of which CM was one CM have already received funding through our HUB partnership, in the form of match funding for a successful youth music application

THAMES also continue to work in partnership with CM, as part of the Music Space Partnership and funding in kind the Music Space live events through the provision of staff and support They have also contributed significantly through allowing the inclusion of a CM staff member at a meeting of the Heads of Music from the borough's secondary schools This has enabled us to create and develop face-to-face relationships with key individuals within the schools and promote our programme to their young people

Live Events & Showcasing

CM currently runs a number of showcasing events and opportunities for young people from the local area, and we are keen to develop these further These are aimed at different levels, from entry-level gigs for those less experienced, to professional events with performance slots alongside professional musicians and performers The Music Space Live events have become very popular over the past year, and are now a major part of each terms programme for young people

3.2 Details of performance where fundraising or investment activities are involved

We have been successful this year in achieving the following funds

PRS £12,000 for the 2012-13 financial year followed by an increase in funding for the 13-14 financial year to £15,000

Children In Need £20,238 over three years beginning April 2011 towards instrumental tuition for young Bengali people from the local community

Youth Music £59810 over 15 years beginning June 2012 to provide instrumental and production tuition, and live events for young people across tower hamlets, with £5,000 match funding from THAMES

Catalyst £180,000 over 3 years from the Arts Council's Catalyst fund to develop corporate trust and individual giving income

4. Public benefit

4.1 All our provision is intended to be of public benefit to a variety of people The majority of our local youth provision is accessible to anyone aged 13-19 living or studying in Tower Hamlets, although some provision is accessible by those living outside the borough and outside this age range We do not charge fees for any course or activity on the youth programme Our Higher Education provision is accessible by anyone aged 18 and above and is not restricted geographically However, we specifically target those people who would not normally be able to access higher education, either through a lack of formal qualification, poor previous academic experience or for financial reasons, and market heavily in the local area to encourage local take-up Our Higher education tuition fees are significantly lower than the standard

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degree cost and the FdA Creative Music Production & 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 all HE programmes including the Arts and Music Leader course and we work hard to ensure no one is excluded due to financial reasons where possible. Bursaries and scholarships are also available from the University of Westminster for the FdA Creative Music Production & Business course. Our facilities are fully accessible, and have full wheelchair access.

5. Financial Review

5.1 Policy on reserves

- The Trustees recognise their responsibility to have a transparent policy on managing the resources of the company, including financial reserves
- 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, as almost all of the income usually comes from a variety of grant aid, 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
- The Trustees believe that it is generally in the interests of the charity to work towards a position of holding reserves of at least 20% of the relevant financial period's turnover. This is to ensure adequate cash flow flexibility to meet emergency measures, delayed payment of grants and unpredictable variations in expected income

5.2 Financial Stability & Position

After the previous year, with its various financial challenges, possible cuts and re-structuring, 2012-13 has been a period of relative calm. The success of the Catalyst funding application has given us a base of funding on which we can build, and opened up a new way forward for development and income generation. It is our intention to decrease our dependency on grant funding, and develop a thriving stream of earned and donated income that we can generate for ourselves. Of course, grant income will still be a major area of funding on which we depend, but diversification is all-important for CM now.

Arts Council

CM was awarded £133,190 in year one, £136,253 in year 2 and £139,795 in year 3. Since the initial grant the Arts Council cuts have been passed down for 13-15, albeit relatively small. Our new grant level from the Arts Council stands at £133,420 for 13-14 and £135,547 for 14-15, a 3% cut overall. Whilst this is a cut, we are in such a position that it is manageable and will not affect our output seriously.

The continuation of our National Portfolio status is of great significance to us as a charitable organisation, and allows us to further fundraise where possible as a National Portfolio Organisation.

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Degree Income

The picture for Higher Education remains changeable 2012 saw the introduction of significantly increased tuition fees for students to a maximum of £9000 per year A lot of uncertainty surrounded the number of applications that would be received after this increase in price and CM took the opportunity to keep our fees lower so to attract more students and make sure our provision is still reachable for those on lower incomes At £5500 per year, we represent a much more affordable higher education for many Applications remained high and we were as usual oversubscribed at the start of the September 2012 academic year The FdA Creative Music Production & Business is now in a stable position again after the past two years of uncertainty Stability has been ensured by the introduction of City of Westminster College to the now three-way partnership, from whom our student number allocation from HEFCE now comes, while the University of Westminster remain responsible for quality control and validation We are now exploring the international market, and taking the opportunity to maximise our facilities by recruiting for international students who fall outside of our HEFCE student allocation

Surplus

CM has increased its surplus significantly over the previous four years, from a deficit of -£39,652 in 2008 to a surplus of £72,715 in 2012 At the end of the 12-13 financial year, our surplus stood at just over £120,000

Our 2012-13 spend demonstrates a reduction in expenditure to previous years with similarly reduced levels of income, which enabled us to retain and build on our reserves This ensured CM continued to grow surplus to maintain a 20% annual turnover target Whilst being CM's biggest cost, CM has pegged salaries and sessional fees to standstill or below inflation rises

The income pattern and turnover of CM from 2012-015 is

Period	Income	Surplus	Accumulated
12/13	441635	49014	121729
13/14	461514	38350	160079
14/15	486514	63350	223429

This shows a reserve which increases exponentially over the period shown and provides a substantial base on which to build our programme for the future 2012-15 costs assume an overall increase of 3% inflation in core salaries and key costs

In an effort to reduce costs, this year saw the employment of a new accountant, Jackson and Jackson, who are also responsible for the annual audit Jackson and Jackson took over from JS2 in October 2012 and after a period of handover, the relationship has progressed well The appointment of new accountants and auditors should save CM approximately £10,000 per annum

5.3 Principal funding sources are

- Arts Council of England to core costs of training and artists development
- Catalyst, to develop alternative sources of income
- Tuition fees from FdA Creative Music Production & Business
- London Borough of Tower Hamlets Arts Dept

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6. Fundraising Strategy

6.1 Current Situation

- i) CM now has a financial model that is more stable and less dependent on any one source of funding than in previous periods. However, in this period of financial flux, CM must continue to seek new sources of income and funding in order to protect itself and to ensure long term viability.
- ii) CM can now use the base established over the past 3 years, the catalyst funding and the relative security of the current Arts Council funding agreement to develop a radically new fundraising strategy which exploits many sources of income including
 - funding from CSR, regular individual giving and high net worth individuals,
 - earned income through the contracting of our services out to NEET delivery organisations,
 - other earned income,
 - continuing current funding relationships with HE and other service providers,
 - continuing to generate income through grant aid

7. Funding Potential

7.1 The 'Community' and the 'Music'

Funding for CM is potentially available for two fundamentally different but linked reasons to address social issues such as unemployment, truancy or crime prevention, and to access music making to people from widely differing backgrounds. The funds are broadly categorised as culture or social, and the strength of a community arts project is that it can potentially access both, if the fund criteria are open to them and they can make out a good enough case for cultural activity being effective in addressing social issues.

7.2 Targeting Donors, CSR, and Trust Fund funding through NEET work

Donors, CSR, and trust funds prefer projects with a very clear social agenda – most particularly the issue of youth unemployment and social disengagement. In order to attract donor/CSR/trust funding on a significant scale, CM social agenda has to be transparently clear, and our work with NEET (not in employment, education or training) young people on focused employment/social issues clearly evidenced to show what our work achieves, the impact it has on young peoples and how it can make a difference.

7.3 Contracting Out

Our skills and background lie in working with hard to reach young people, and we should utilise these skills to the best of our ability. This is best done by CM working in partnership with the larger providers of training for NEET young people and contracting out services to them. Preliminary desk-top research showed at least 40 NEET providers in London who work with these clients to develop their employability, but who do not have the skills to use music to attract and then re-skill their clients in a way that CM has for over 30 years.

- 7.4 We anticipated great potential to develop this market of providers to become a main source of income for CM in the next five years, in the way that CM has successfully contracted itself out to Tower Hamlets Youth Service to be their sole provider of community music provision. So far we have targeted two organisations, Tomorrows People and Tower project and interest has been positive. We have run one term long pilot with Tomorrows People and are fundraising with them to continue the work.

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7.5 Friends

The CM Friends programme for individuals and corporates is the ideal vehicle through which to reach donors. It enables donors to engage in a trade, make a donation to support our charitable aims, but also experience some of that creative power for themselves, or gift that experience to someone else.

7.6 Income related to accredited training

CM is in a strong position to be a very attractive proposition for those entering HE in 2013 and beyond. As our overhead costs are lower, we are able to offer our foundation degree course at significantly lower fee levels than the majority of HE institutions, with our target fee of £5500 as opposed to the £9000 asked by most universities. This is accompanied by smaller class sizes, industry based tutors and expertise, forward thinking course content, personalised tuition and targeted marketing puts CM in a very strong position to attract students from London and Nationwide. This is a changing landscape to be navigated carefully, but has the potential to remain CM's largest source of income. A new tripartite partnership between CM, University of Westminster and City of Westminster College is now in place, and it is felt this partnership offers many further opportunities for development, aside from the continuation of the foundation degree.

7.7 Earned Income

Income generated through the exploitation of our skills and available services, through a commercial wing of CM, called Now Time. Now Time offers fee paying courses (short term and long term), day long team development days and online learning to generate an income which will both cover costs of delivery and contribute to the income for our charitable output.

7.8 Unrestricted funding for general purposes

What used to be called 'revenue' funding, up to a few years ago, has now been replaced by fixed term agreements of differing lengths. CM is the recipient of funds from the Arts Council and currently has a three-year agreement lasting until 2015. Although the funding is tied to specific projects and outputs, it is far less rigidly output driven than specific project funding. The Arts Council view their funding as investment rather than grant aid and are specific about the returns they wish to see. CM has a good relationship with the Arts Council and our assigned Relationship Manager.

7.9 Longer term funding for specific, larger-scale projects

The larger project grants from government agencies tend to be channelled through the local authority via the youth, arts or education departments, or the Arts Council or Arts Council influenced bodies.

Organisations such as Youth Music fund and deliver youth music programmes with DCMS funding.

These funds are therefore usually a reflection of the quality of the work linked to the effectiveness of general advocacy and networking that the permanent staff at CM can achieve for their work, the chances of success are largely determined by the profile of the organisation and key individuals in it. These funds are not predictable and tend to appear and disappear with no particular pattern.

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7 10 Grant aid for individual projects from independent sources not related to government agencies

The funding opportunities for these types of project come from

- European Commission CM has applied directly to EC in Brussels and been successful on two occasions in the past This is not dependent on Arts Council or local authority approval –formal or informal
- Trusts and Foundations CM has had substantial project funding from this source in the past, grant-giving trusts come in all sizes and there are some local foundations that are active in funding arts and community projects They are under a significant strain in the current climate, and demand for funding from trusts is high and therefore competitive, although not unachievable
- Local ESF funding usually distributed by the local authority Limited availability and usually for directly employment related projects
- Local partnerships, where CM effectively acts as a subcontractor, with funded organisations such as Futureversity and THAMES
- Corporate Sponsorship from city firms who fund social programmes
- Local authority arts/education funding on a regular basis a part of mainstream provision in the borough

This is the start of a new period for CM with a varied income structure, one that it is hoped will bring with it a new way of funding our work and one that will decrease our overall dependence on grant aid We want to move forward as a more resilient, self-sufficient organisation, and see the next three years as the development of this new model At the same time, we intend to explore the possibilities of offering new fee paying tuition and the provision of corporate training days which will allow us to access other alternative sources of income with which we can deliver and meet our charitable aims It is a positive time for CM, with lots of opportunity on the horizon

8. Risk Statement

- 8 1 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

RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also the directors of Community Music Limited for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the trustees to prepare financial statements for each financial year Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the trustees 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 charitable company and the income and expenditure of the charitable company for that period

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In preparing these financial statements, the trustees are required to

select suitable accounting policies and then apply them consistently,

observe the methods and principles in the Charities SORP,

make judgements and accounting estimates that are reasonable and prudent,

state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the trustees are aware

there is no relevant audit information of which the charitable company's auditor is unaware, and

the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITOR

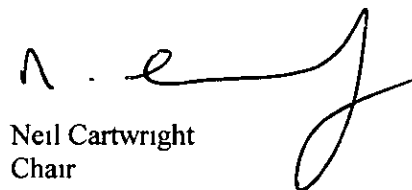
Jackson & Jackson Accountants Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Registered office
The Brady Centre
192-196 Hanbury Street
London
E1 5HU

Signed on behalf of the trustees


Neil Cartwright
Chair

Date 6 July 2013

COMMUNITY MUSIC LIMITED

Company Limited by Guarantee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY MUSIC LIMITED

YEAR ENDED 31 MARCH 2013

We have audited the financial statements of Community Music Limited for the year ended 31 March 2013 on pages 17 to 29 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the reports and financial statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in the related note to the financial statements

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at year ended 31 March 2013 and of its incoming resources and application of resources for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

COMMUNITY MUSIC LIMITED

Company Limited by Guarantee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY MUSIC LIMITED (continued)

YEAR ENDED 31 MARCH 2013

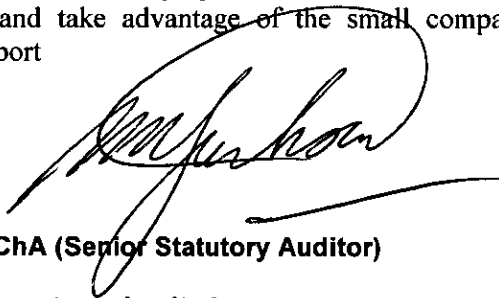
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees Annual Report for the financial year for the which the financial statements are prepared is consistent with the financial statements

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees Annual Report



Hartley Jackson FCA DChA (Senior Statutory Auditor)

for and on behalf of

Jackson & Jackson Accountants Limited

Chartered Accountants and Statutory Auditors

33 Chingford Mount Road

London E4 8LU

Date 25 July 2013

COMMUNITY MUSIC LIMITED

Company Limited by Guarantee

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2013

		Unrestricted Funds	Restricted Funds	Total Funds 2013	Total Funds 2012 (restated)
	Note	£	£	£	£
INCOMING RESOURCES					
Incoming resources from generating funds					
Voluntary income	2	203,426	67,975	271,401	193,357
Investment income	3	—	—	—	3,790
Incoming resources from charitable activities	4	170,234	—	170,234	197,146
TOTAL INCOMING RESOURCES		373,660	67,975	441,635	394,293
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising and publicity	5	(34,609)	—	(34,609)	(31,844)
Charitable activities	6/7	(262,236)	(81,999)	(344,235)	(354,139)
Governance costs	8	(13,777)	—	(13,777)	(15,088)
TOTAL RESOURCES EXPENDED		(310,622)	(81,999)	(392,621)	(401,071)
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS					
	10	63,038	(14,024)	49,014	(6,778)
Transfer between funds	11	(8,854)	8,854	—	—
NET INCOME/(EXPENDITURE) FOR THE YEAR		54,184	(5,170)	49,014	(6,778)
RECONCILIATION OF FUNDS					
Total funds brought forward		67,689	5,026	72,715	79,493
TOTAL FUNDS CARRIED FORWARD		121,873	(144)	121,729	72,715

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared

All of the above amounts relate to continuing activities

The notes on pages 19 to 29 form part of these financial statements.

COMMUNITY MUSIC LIMITED

Company Limited by Guarantee

BALANCE SHEET

31 MARCH 2013

	Note	2013 £	2012 (restated) £
FIXED ASSETS			
Tangible assets	14	2,232	8,818
CURRENT ASSETS			
Debtors	15	107,770	69,621
Cash at bank		<u>48,037</u>	<u>37,252</u>
		155,807	106,873
CREDITORS: Amounts falling due within one year	16	<u>(36,310)</u>	<u>(42,976)</u>
NET CURRENT ASSETS		119,497	63,897
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>121,729</u>	<u>72,715</u>
FUNDS			
Restricted income funds	18	(144)	5,026
Unrestricted income funds	20	<u>121,873</u>	<u>67,689</u>
TOTAL FUNDS		<u>121,729</u>	<u>72,715</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved by the members of the committee on the 6 July 2013 and are signed on their behalf by


JOHN PRINCE


NEIL CARTWRIGHT

Company Registration Number 01967704

The notes on pages 19 to 29 form part of these financial statements.

COMMUNITY MUSIC LIMITED

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 2006

Cash flow statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small

Fund accounting

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Unrestricted funds include a revaluation reserve representing the restatement of investment assets at market values
- Designated funds are unrestricted funds earmarked by the Management Committee for particular purposes
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal

Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts

COMMUNITY MUSIC LIMITED

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES *(continued)*

- Investment income is included when receivable
- Incoming resources from charitable trading activity are accounted for when earned
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity
- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage as set out in the notes to the accounts

Fixed assets

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £1,000 are not capitalised

Depreciation

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

Computers & musical equipment - straight line basis over 3 years
Studio equipment - straight line basis over 2 years
Office equipment & furniture - straight line basis over 3 years

COMMUNITY MUSIC LIMITED

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES *(continued)*

Operating lease agreements

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the life of the lease

2. VOLUNTARY INCOME

	Unrestricted Funds	Restricted Funds	Total Funds 2013	Total Funds 2012 <i>(restated)</i>
	£	£	£	£
Donations				
Friends of Community Music	1,857	—	1,857	—
Grants receivable				
The Arts Council	133,190	—	133,190	153,190
ESF Culture 2000 (repayment of grant)	—	—	—	(1,779)
PRS for Music Foundation	7,875	—	7,875	20,500
Transformers	—	8,290	8,290	10,870
BBC Children in Need	—	6,746	6,746	6,746
The Arts Council - Catalyst Arts	60,000	—	60,000	—
Youth Music	—	33,228	33,228	—
LB of Tower Hamlets	—	19,211	19,211	2,720
Grants of £1000 or less	504	500	1,004	1,110
	<u>203,426</u>	<u>67,975</u>	<u>271,401</u>	<u>193,357</u>

The grant from the PRS for Music Foundation was a two year funding arrangement, with payments agreed of £12,000 for each of the two 12 month periods from February 2011, ending February 2013. A new funding agreement was granted of £15,000 for the 12 month period from February 2013. In previous accounts the income was taken into the accounts when received. For the current year and for future years, income is being taken into the accounts on an accruals basis, which the charity feels better reflects the income and associated use of the funding. In previous years, income from the Foundation was not shown separately, and is now being shown. These changes in policy have created the apparent imbalance of income between current and previous years. The charity does not feel that the benefit of amending the prior year's comparatives outweighs the associated costs.

3. INVESTMENT INCOME

	Total Funds 2013	Total Funds 2012 <i>(restated)</i>
	£	£
Bank interest receivable	—	3,790

COMMUNITY MUSIC LIMITED

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds	Total Funds 2013	Total Funds 2012 (restated)
	£	£	£
Accredited courses - fee income	168,893	168,893	177,380
Local projects & other training - grants and fees	230	230	19,766
Sundry income	1,111	1,111	—
	<u>170,234</u>	<u>170,234</u>	<u>197,146</u>

5. FUNDRAISING AND PUBLICITY

	Unrestricted Funds	Total Funds 2013	Total Funds 2012 (restated)
	£	£	£
Fundraising and publicity costs	<u>34,609</u>	<u>34,609</u>	<u>31,844</u>

6. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds	Restricted Funds	Total Funds 2013	Total Funds 2012 (restated)
	£	£	£	£
Artist and business support	3,780	4,500	8,280	—
Live music promotion	10,613	—	10,613	51,557
Local youth music promotion	12,322	54,824	67,146	61,465
Professional training	131,487	—	131,487	93,630
Support costs	104,034	22,675	126,709	147,487
	<u>262,236</u>	<u>81,999</u>	<u>344,235</u>	<u>354,139</u>

7. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly	Support costs	Total Funds 2013	Total Funds 2012 (restated)
	£	£	£	£
Artist and business support	8,280	2,668	10,948	—
Live music promotion	10,613	13,338	23,951	67,082
Local youth music promotion	67,146	41,348	108,494	115,802
Professional training	131,487	69,355	200,842	171,255
	<u>217,526</u>	<u>126,709</u>	<u>344,235</u>	<u>354,139</u>

COMMUNITY MUSIC LIMITED

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

8. GOVERNANCE COSTS

	Unrestricted Funds	Total Funds 2013	Total Funds 2012 (restated)
	£	£	£
Staff costs	2,647	2,647	2,367
Audit fees	8,138	8,138	8,540
Legal fees	14	14	943
Governance costs - support costs	2,668	2,668	3,105
Other governance costs	310	310	133
	<u>13,777</u>	<u>13,777</u>	<u>15,088</u>

9. ANALYSIS OF SUPPORT COSTS

	Artist and business support £	Live music promotion £	Local youth music promotion £
Staff costs	1,142	5,708	17,695
Premises	515	2,576	7,985
Communications and IT	260	1,301	4,033
Legal and professional	127	634	1,967
Finance costs	10	52	162
Depreciation	132	659	2,042
Marketing	202	1,010	3,130
Other costs	280	1,398	4,334
Office overheads	—	—	—
	<u>2,668</u>	<u>13,338</u>	<u>41,348</u>

	Professional training £	Total 2013 £	Total 2012 (restated) £
Staff costs	29,682	54,227	84,325
Premises	13,394	24,470	25,661
Communications and IT	6,766	12,360	—
Legal and professional	3,299	6,027	—
Finance costs	272	496	—
Depreciation	3,425	6,258	8,088
Marketing	5,251	9,593	6,177
Other costs	7,266	13,278	—
Office overheads	—	—	23,237
	<u>69,355</u>	<u>126,709</u>	<u>147,488</u>

COMMUNITY MUSIC LIMITED

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

9. ANALYSIS OF SUPPORT COSTS *(continued)*

The basis of allocation of support costs to activities is as follows

- Staff Staff time
- Other costs Usage

In the previous year, office overheads were not broken down further Greater detail is provided for the current year

10. NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR

This is stated after charging

	2013	2012 <i>(restated)</i>
	£	£
Depreciation	6,586	8,513
Auditors' fees	8,138	8,540
Operating lease costs		
- Land and buildings	21,510	20,908
- Plant and machinery	1,661	2,214

11. FUND TRANSFERS

Transfers from unrestricted funds to restricted funds are to make good funding shortfalls and eliminate negative fund balances

12. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2013	2012 <i>(restated)</i>
	£	£
Wages and salaries	244,144	241,658
Social security costs	15,816	20,968
	<u>259,960</u>	<u>262,626</u>

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows

	2013	2012 <i>(restated)</i>
	No	No
Accredited courses	3	3
Artist development	1	1
Development, Education, Networking	1	1
Fundraising and publicity	2	1
	<u>7</u>	<u>6</u>

COMMUNITY MUSIC LIMITED

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

12. STAFF COSTS AND EMOLUMENTS *(continued)*

No employee received remuneration of more than £60,000 during the year (2012 - Nil)

13. TRUSTEE REMUNERATION & RELATED PARTY TRANSACTIONS

No members of the management committee received any remuneration or expenses during the year or the previous year

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

14. TANGIBLE FIXED ASSETS

	Office equipment & furniture £	Computers & musical equipment £	Studio equipment £	Total £
COST				
At 1 April 2012 and 31 March 2013	<u>9,910</u>	<u>62,969</u>	<u>29,156</u>	<u>102,035</u>
DEPRECIATION				
At 1 April 2012	8,110	55,951	29,156	93,217
Charge for the year	<u>1,117</u>	<u>5,469</u>	<u>–</u>	<u>6,586</u>
At 31 March 2013	<u>9,227</u>	<u>61,420</u>	<u>29,156</u>	<u>99,803</u>
NET BOOK VALUE				
At 31 March 2013	<u>683</u>	<u>1,549</u>	<u>–</u>	<u>2,232</u>
At 31 March 2012	<u>1,800</u>	<u>7,018</u>	<u>–</u>	<u>8,818</u>

15. DEBTORS

	2013 £	2012 (restated) £
Trade debtors	3,435	10,372
Accrued income	102,297	54,718
Other debtors	<u>2,038</u>	<u>4,531</u>
	<u>107,770</u>	<u>69,621</u>

COMMUNITY MUSIC LIMITED

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

16 CREDITORS: Amounts falling due within one year

	2013	2012 (restated)
	£	£
Trade creditors	7,839	6,439
PAYE and social security	7,440	5,344
Other creditors	21,031	31,193
	<u>36,310</u>	<u>42,976</u>

Deferred income represents grants received for the purpose of expenditure in a future period
The amounts included in other creditors above is

	2013	2012
	£	£
Deferred income	20,601	5,183

17. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2013 the charity had annual commitments under non-cancellable operating leases as set out below

	2013		2012	
	Land and buildings £	Other items £	Land and buildings £ <i>restated</i>	Other items £
Operating leases which expire:				
Within 1 year	-	1,661	-	-
Within 2 to 5 years	20,000	-	20,000	2,214
	<u>20,000</u>	<u>1,661</u>	<u>20,000</u>	<u>2,214</u>

COMMUNITY MUSIC LIMITED

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

18. RESTRICTED INCOME FUNDS

	Balance at 1 Apr 2012 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Mar 2013 £
Youth Music - 'Can Play, Will Play'	1,000	38,228	(41,307)	–	(2,079)
Youth Music - General	–	4,611	(4,375)	–	236
Music Space Academy	–	9,600	(18,143)	8,543	–
Music Space Academy Juniors	1,349	6,746	(6,396)	–	1,699
East Beats	(1,323)	8,290	(7,278)	311	–
Going Underground 2	4,000	500	(4,500)	–	–
	<u>5,026</u>	<u>67,975</u>	<u>(81,999)</u>	<u>8,854</u>	<u>(144)</u>

Purposes of Restricted Funds

Youth Music - 'Can Play, Will Play'

A 15 year project working with local youth groups from Tower Hamlets and east London to encourage participation in creative music and live events, progressing onto CM's in house programme Run in partnership with THAMES

Youth Music - General

This area of work consists of smaller individual projects or pieces of work individually commissioned by youth clubs, partner arts organisations, schools or similar organisations

Music Space Academy

A supported band rehearsal project for young people aged 14 – 19 from Tower Hamlets and the surrounding area

Music Space Academy Juniors

A 3-year programme of small group instrument tuition funded by Children in Need, for young people aged 6-13 from Tower Hamlets and East London

East Beats

Funded by Lottery money through the Transformers fund, East Beats was a year long outreach project working with 2 youth centres in the east of the borough to encourage participation and progression onto CM's in house programme

COMMUNITY MUSIC LIMITED

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

Going Underground - - BEAST

Funded by Grants for the Arts, this was a year-long project which celebrated and encouraged new music made by local Asian underground producers and musicians. The project included workshops, seminars on breaking into and working in the music industry, and a festival of 6 gigs in 6 months showcasing the music created on the project and that of its genre.

19. COMPARATIVE FIGURES - RESTRICTED FUND

The transfer between funds made in 2012 year for ESF Culture, in relation to a cancelled project was incorrect, leaving a deficit balance of £12,923. This has been adjusted in the comparative figures. This adjustment only affects the restricted and unrestricted fund balances.

20. UNRESTRICTED INCOME FUNDS

	Balance at 1 Apr 2012	Incoming resources	Outgoing resources	Transfers	Balance at 31 Mar 2013
	£	£	£	£	£
General Funds	<u>67,689</u>	<u>373,660</u>	<u>(310,622)</u>	<u>(8,854)</u>	<u>121,873</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets	Net current assets/ (liabilities)	Total
	£	£	£
Restricted Income Funds:			
Youth Music - 'Can Play, Will Play'	—	(2,079)	(2,079)
Youth Music - General	—	236	236
Music Space Academy Juniors	—	1,699	1,699
	—	<u>(144)</u>	<u>(144)</u>
Unrestricted Income Funds	<u>2,232</u>	<u>119,341</u>	<u>121,573</u>
Total Funds	<u>2,232</u>	<u>119,197</u>	<u>121,429</u>

22. APB ETHICAL STANDARDS

In common with many other charities of our size and nature we use our auditors to assist with the preparation of the financial statements.

23. TAXATION

The charity is provisionally exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

COMMUNITY MUSIC LIMITED

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

24. COMPANY 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