

Company No. 1967704
Charity No. 293419

Community Music Limited
Report & Financial Statements
31 March 2001

Sayer Vincent
consultants and auditors



Community Music Limited

Legal & Administrative Details

For the Year Ended 31 March 2001

Status	The organisation is a charitable company limited by guarantee, incorporated on 2 December 1995 and registered as a charity on 24 April 1986
Governing Document	The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.
Company Number	1967704
Charity Number	293419
Registered Office and Operational Address	35 Union Street London SE1 1SD
Secretary	Dave O'Donnell
Auditors	Sayer Vincent Chartered Accountants Registered Auditors 23 Angel Gate City Road London EC1V 2SJ

Community Music Limited

Report of the Directors

For the Year Ended 31 March 2001

The directors present their report and the audited financial statements for the year ended 31 March 2001.

Objects of Charity

Community Music exists to advance education through music, particularly for young people who are excluded from opportunities for learning.

Organisational Structure

The company is a registered charity and limited company. The Board of Directors are the Trustees of the Charity and are responsible for the proper and efficient governance of funds and legal liabilities of the company.

The Board recognises their duty to have a stated reserves policy for the company and this is included.

Review of Activities

In 2000 Community Music decided to re-brand itself and, after much consideration, changed its operational name to CM. This decision came as a result of a long term marketing strategy designed to attract sponsorship and recognition from the professional music sector and the music business. The re-branding is a continuing process and has been launched with a full set of printed publicity material, merchandise and the first of a series of CD compilations, supported by sponsorship from Bass Charrington and KLP PR company.

CM completed a highly successful year of education and training, with socially excluded young people, higher education partnerships and professional and artistic development for talented musicians.

The Musicians and Producers project entered its final year. This project, funded for three years by the Arts Council with National Lottery funds, is a unique professional development programme for talented musicians. It has already assisted the professional development of a number of young producers of modern music and has a complementary strand, working with disabled musicians through Shape London. The exit strategy is to consolidate the professional development course that has grown from the project, The Certificate in Higher Education Music Production in collaboration with the University of Westminster, and to develop Extra Time, the artist development and promotion programme. This takes musicians into a potential marketing position with new music product, business advice and promotional back-up. This has been supported by an award from The Performing Rights Society Foundation.

The Certificate in Higher Education is part of the Arts in The Learning City initiative, a government initiative aiming to widen participation in Higher Education involving a number of partnerships between universities and arts organisations. CM has made presentations at two public ALC events and the course is seen as a model of good practice of widening participation.

Community Music Limited

Report of the Directors

For the Year Ended 31 March 2001

Review of Activities (continued)

The partnerships with Higher Education aim to create real access routes into HE for musicians without formal qualifications. CM has always tried to create innovative models of training, which can have a cascade effect in statutory provision. CM believes that the most urgent priority in modernising music education is to find ways of training musicians to teach who are from musical and social backgrounds that reflect the multi-cultural nature of London's schools and the musical needs of the students. The collaboration with University of North London targets musicians without degrees and other qualifications to train to teach in secondary schools. This is a unique attempt to create an alternative to the normal route for music teachers and effect real change within the music education system. This course is now in its third year and negotiations have begun to embed it in the University programme as a permanent feature.

The Music Tutor Training Course, CM's other teacher-training route, completed its 9th year of Open University credit rating. In line with OU regulations it will be revised and re-launched in 2002. It will modular, flexible and contemporary with the latest technology, funding and teaching developments.

The CM BreakBeat project funded by FOCUS TEC for 16-25 year olds suffering serious social exclusion began its third successful year as part of the Breaking Barriers initiative. With the closure of the Training and Enterprise Councils the project is now funded through Crime Concern, the lead partner of Breaking Barriers. A number of graduates of the programme progressed to the Cert. Higher Education as well as a mixture of employment and learning outcomes.

CM continued its ground breaking role with music technology by further developing Pyrotechnic.com, their online radio station. This project was conceived and set up by a trainee and is managed and marketed by the young people from the musical community it serves. It has gained an international reputation very quickly for the quality of the music, which is focused on non-mainstream and experimental music. Negotiations are continuing with Business Innovation Centre to set the project up independently as a limited company in 2001.

A major initiative titled CM Sound Foundation began its research and development phase with an award from the National Foundation for Youth Music. The scheme is aimed at re-engaging 13-16 year old children excluded from school. Backing from Education Extra and Dfes contribute to the scheme, which was launched in June 2001. This is part of a 6-project consortium of community music projects in London called London Youth Music Action Zone that aims to consolidate the sector and stimulate new ways of providing music education for under 18 year olds in London.

CM finished the last year of the franchise agreement with Kingsway College to provide LOCN accredited courses. This was due to the continuing depletion of the funds available from the franchise and the fact that, partly due to CM's pioneering role, some of these courses are now available in FE colleges in London.

CM suffered a set back in May 2000 when Southwark Council turned down their planning application to build a Music Centre on an empty land site in Union Street. This followed 3 years of negotiation with the council, who offered CM a low rent lease on the land and a capital grant of £200000 towards the cost of building the centre.

Community Music Limited

Report of the Directors

For the Year Ended 31 March 2001

The Board of Directors are currently investigating other possibilities to create a permanent base for CM when the lease on the current premises runs out in August 2003, including the possibility of being part of the Rich Mix development in Tower Hamlets.

The Directors are aware of their responsibility in the new charity SORP to provide a statement outlining the major risks faced by the charity and the steps taken to mitigate those risks. A formal policy in this regard will be developed during the current year so that a more detailed statement can be made in the report for the year ended March 2002.

Reserves Policy

1. The Directors of Community Music Limited 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 (October 2000).
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, 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.
3. The balance sheet at 31 March 2001 did not show reserves and the Directors feel this is not in the interests of the Charity. The Directors of Community Music Limited believe that it is generally in the interests of the charity to work towards a position of holding reserves of up to 10% of the relevant financial period. This is to ensure adequate cash flow flexibility to meet emergency measures, delayed payment of grants and unpredictable variations in expected income.
4. Identified future commitments held separately from general reserves in designated reserves. Specifically for the period to 2004, the Directors need to create a reserve fund of up to £80,000, in relation to a schedule of dilapidations that will be a liability on the expiration of the current lease at 35 Union Street. There will also be re-location costs at that time to cover necessary expenditure for the transfer of the project to new premises.
5. The Charity will work towards this target through fundraising and cost control methods, in agreement with the main revenue funders of unrestricted grant aid, i.e. currently London Arts and the Association of London Government.

The position on reserves will be monitored closely and reviewed at the Annual General Meeting. Latest management accounts for the six month period since these accounts were drawn up indicate an improved reserves position. Unrestricted funds have moved from negative to positive.

Community Music Limited

Report of the Directors

For the Year Ended 31 March 2001

Responsibilities of the Directors

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the year then ended.

In preparing those financial statements which give a true and fair view, the directors should follow best practice and:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis

The directors are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors 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.

Community Music Limited

Report of the Directors

For the Year Ended 31 March 2001

The Directors

Directors, who are also trustees under charity law, who served during the year and up to the date of this report were as follows:

J Prince		A Weeks	(appointed 22 June 2000)
K Venner	(resigned 2 November 2000)	J Northcote	
J Pandit		A Brett	
A Macdonald		H Searle	
D Lawrence		S Ghosh	(appointed 2 November 2000)
V Redwood Sawyer	(appointed 2 November 2000)		

Appointment of Trustees

(if not covered in organisational structure)

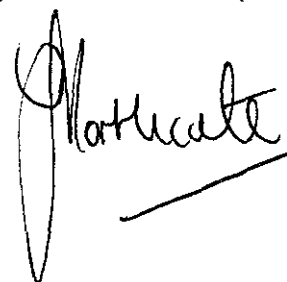
Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2001 was 11 (2000 - 9). The directors have no beneficial interest in the charitable company.

Auditors

Sayer Vincent were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the directors on

and signed on their behalf by



Auditors' Report

To the Members of

Community Music Limited

We have audited the financial statements on pages 8 to 18 which have been prepared on the basis of the accounting policies set out on pages 10 and 11.

Respective Responsibilities of the Directors and Auditors

As described on page 5, the directors, who are also trustees under charity law, are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the charitable company's state of affairs as at 31 March 2001 and of the incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

5 December 2001

Sayer Vincent

SAYER VINCENT
Chartered Accountants
Registered Auditors
23 Angel Gate
City Road
London
EC1V 2SJ

Community Music Limited

Statement of Financial Activities (Incorporating an Income and Expenditure Account)

For the Year Ended 31 March 2001

	Note	Restricted £	Unrestricted £	2001 Total £	2000 Total £
Incoming resources					
Donations, Legacies and Similar Incoming Resources	2	-	171,914	171,914	138,418
<i>Activities in Furtherance of the Charity's Objects</i>	2, 3	203,906	88,340	292,246	503,050
<i>Activities to generate funds:</i>					
Interest & Other Income		-	150	150	128
Total incoming resources		<u>203,906</u>	<u>260,404</u>	<u>464,310</u>	<u>641,596</u>
Costs of generating funds:	4				
Fundraising and Publicity		-	5,896	5,896	664
Net incoming resources available for charitable application		<u>203,906</u>	<u>254,508</u>	<u>458,414</u>	<u>640,932</u>
<i>Direct Charitable expenditure</i>					
Training Courses		-	78,461	78,461	77,022
Outreach		-	6,964	6,964	4,887
Breakbeat		134,244	-	134,244	125,801
Musicians and Producers		85,768	-	85,768	73,419
Sound Foundation		20,512	-	20,512	-
Major Minor		4,582	-	4,582	8,798
Out of School Activities		6,547	-	6,547	-
Pyrotechnic Interface		22,527	-	22,527	-
The Project		-	-	-	28,250
National Lottery Feasibility Study		-	-	-	186,911
Support costs		449	118,050	118,499	137,725
Management and administration		-	9,215	9,215	9,528
Total Charitable Expenditure		<u>274,629</u>	<u>212,690</u>	<u>487,319</u>	<u>652,341</u>
Total Resources Expended	4	<u>274,629</u>	<u>218,586</u>	<u>493,215</u>	<u>653,005</u>
Net (Outgoing)/Incoming Resources Before Transfers	5	(70,723)	41,818	(28,905)	(11,409)
Transfers Between Funds		<u>50,520</u>	<u>(50,520)</u>	-	-
Net Outgoing Resources		(20,203)	(8,702)	(28,905)	(11,409)
Funds at 1 April 2000		<u>20,203</u>	<u>(4,892)</u>	<u>15,311</u>	<u>26,720</u>
Funds at 31 March 2001		<u>-</u>	<u>(13,594)</u>	<u>(13,594)</u>	<u>15,311</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 13 to the financial statements.

Community Music Limited (Limited by Guarantee)

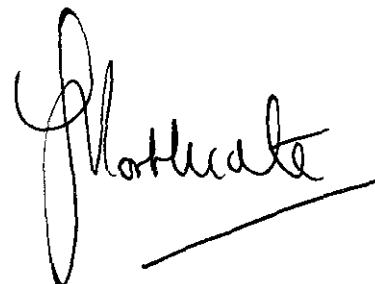
Balance Sheet

As at 31 March 2001

	Note	£	2001 £	2000 £
Tangible Fixed Assets	8		14,657	<u>41,071</u>
Current Assets				
Debtors and Prepayments	9	33,098		33,319
Cash at Bank and in Hand		<u>6,084</u>		<u>49,747</u>
		39,182		83,066
Creditors: Amounts Falling Due Within One Year	10	<u>(52,433)</u>		<u>(88,826)</u>
Net Current Liabilities			<u>(13,251)</u>	<u>(5,760)</u>
Total Assets Less Net Current Liabilities			1,406	35,311
Creditors: Amounts Falling Due After One Year			<u>(15,000)</u>	<u>(20,000)</u>
Net Assets			<u><u>(13,594)</u></u>	<u><u>15,311</u></u>
Funds				
Restricted funds			-	20,203
Unrestricted funds				
General funds			<u>(13,594)</u>	<u>(4,892)</u>
Total funds	12		<u><u>(13,594)</u></u>	<u><u>15,311</u></u>

Approved by the directors on

and signed on their behalf by



Community Music Limited

Notes to the Financial Statements

For the Year Ended 31 March 2001

1. Accounting Policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. They follow the recommendations in the *Statement of Recommended Practice, Accounting and Reporting by Charities* (issued in October 2000) and the Companies Act 1985.
- b) Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable.
- c) Grants are recognised in full in the Statement of Financial Activities in the year in which they are receivable.
- d) Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted fund. Where a fixed asset is donated to the charity for its own use, it is treated in a similar way to a restricted grant.
- e) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of staff time attributable to each activity.

Management and administration costs include the management of the charitable company's assets, organisational management and compliance with constitutional and statutory requirements.

- f) Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life. The depreciation rates in use are as follows:

Computer Equipment	3 Years
Hostel Furniture and Equipment	4 Years
Office Furniture and Equipment	4 Years

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Community Music Limited

Notes to the Financial Statements

For the Year Ended 31 March 2001

1. Accounting Policies (continued)

- g) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.
- h) Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity.
- j) The costs of generating funds relate to the costs incurred by the charitable company in raising funds for the charitable work.
- k) 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 in the year in which they fall due.
- m) The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

2. Grants and Donations

	Restricted	Unrestricted	2001 Total	2000 Total
	£	£	£	£
London Arts Board	8,000	138,616	146,616	119,945
London Borough Grants	5,000	23,298	28,298	23,298
Arts Council of Great Britain	25,000	-	25,000	274,111
Focus	107,258	-	107,258	112,734
Department for Education and Employment	5,030	-	5,030	-
National Foundation for Youth Music	20,000	-	20,000	-
Performing Rights Society	12,000	-	12,000	-
Paul Hamlyn Trust	15,000	-	15,000	-
Bass Charrington	-	10,000	10,000	-
Newcomen Collett Foundation	1,000	-	1,000	-
The Pilgrim Trust	-	-	-	18,750
The Fairweather Trust	-	-	-	1,500
The Norman Trust	-	-	-	7,000
Yapp	-	-	-	1,350
Other Donations	5,618	-	5,618	4,650
Total	<u>203,906</u>	<u>171,914</u>	<u>375,820</u>	<u>563,338</u>

During the year the company received a grant of £28,298 from London Boroughs' Grants for salaries and running costs. The grant was fully utilised in the year.

Community Music Limited

Notes to the Financial Statements

For the Year Ended 31 March 2001

3. Activities in Furtherance of The Charity's Objects

	Grants Restricted £	Fees & Courses Unrestricted £	2001 Total £	2000 Total £
Breakbeat	117,626	-	117,626	144,642
Musicians and Producers	45,000	-	45,000	-
Sound Foundation	20,000	-	20,000	-
Major Minor	1,250	-	1,250	1,350
Out of School Activities	5,030	-	5,030	-
Pyrotechnic Interface	15,000	-	15,000	-
Training Courses	-	81,440	81,440	73,483
Outreach Work	-	6,900	6,900	4,647
The Project	-	-	-	18,750
Young Producers	-	-	-	93,525
Feasibility Study	-	-	-	186,911
	<u>203,906</u>	<u>88,340</u>	<u>292,246</u>	<u>523,308</u>
Deferred Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,258)</u>
Total	<u><u>203,906</u></u>	<u><u>88,340</u></u>	<u><u>292,246</u></u>	<u><u>503,050</u></u>

Community Music Limited

Notes to the Financial Statements

For the Year Ended 31 March

4. Total Resources Expended

	Fundraising and Publicity	Training Courses	Outreach	Breakbeat	Musicians and Producers	Sound Foundation	Major Minor	Out of School Activities	Pyrotechnic Interface	Support Costs	Management and Admin	2001	2000
	£	£	£	£	£	£	£	£	£	£	£	£	£
Salaries	5,896	56,598	5,135	68,191	24,095	8,234	3,686	5,553	8,729	51,251	2,948	240,316	219,317
Freelance and Consultants	-	2,172	606	1,960	16,737	373	828	82	430	3,087	-	26,275	25,159
Other Staff Costs	-	97	10	867	372	159	1	14	104	3,922	-	5,546	5,536
Premises	-	1,620	324	19,706	10,420	4,319	32	432	3,239	29,230	-	69,322	66,143
Depreciation	-	656	131	7,978	4,218	1,749	13	175	1,311	11,833	-	28,064	32,055
Administration	-	716	139	8,596	4,487	1,856	14	186	3,871	11,449	-	31,314	31,504
Operating Costs	-	16,517	602	25,907	24,890	3,594	6	82	4,672	6,186	50	82,506	76,852
Audit	-	-	-	-	-	-	-	-	-	-	3,995	3,995	4,000
Bank Charges	-	-	-	-	-	-	-	-	-	-	1,019	1,019	1,112
Board Costs	-	-	-	-	-	-	-	-	-	-	236	236	856
Insurance	-	85	17	1,039	549	228	2	23	171	1,541	867	4,522	661
Legal Fees	-	-	-	-	-	-	-	-	-	-	100	100	2,899
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	186,911
	5,896	78,461	6,964	134,244	85,768	20,512	4,582	6,547	22,527	118,499	9,215	493,215	653,005

Community Music Limited

Notes to the Financial Statements

For the Year Ended 31 March 2001

5. Net Outgoing Resources for the Year

This is stated after charging / crediting:

	2001 £	2000 £
Depreciation	28,064	28,886
Auditor's Remuneration	4,000	4,000
Hire of Equipment	-	1,918

6. Staff Costs and Numbers

Staff costs were as follows:

	2001 £	2000 £
Salaries and Wages	216,091	202,679
Social Security Costs	17,040	16,638
Pension Contributions	7,185	-
	<u>240,316</u>	<u>219,317</u>

No employee earned more than £50,000 during the year.

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2001 No.	2000 No.
Projects	9.5	8.0
Support	2.0	2.0
	<u>11.5</u>	<u>10.0</u>

7. Taxation

Community Music is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Community Music Limited

Notes to the Financial Statements

For the Year Ended 31 March 2001

8. Tangible Fixed Assets

	Studio Equipment £	Computers & Musical Equipment £	Motor Vehicles £	Musical Instruments £	Office Equipment & Furniture £	Total £
COST						
At 1 April 2000	55,000	47,329	2,854	9,020	1,853	116,056
Additions in Year	-	-	1,650	-	-	1,650
Disposals in Year	-	(1,670)	(2,854)	(169)	-	(4,693)
At 31 March 2001	<u>55,000</u>	<u>45,659</u>	<u>1,650</u>	<u>8,851</u>	<u>1,853</u>	<u>113,013</u>
DEPRECIATION						
At 1 April 2000	35,000	26,709	2,854	9,020	1,402	74,985
Charge for the Year	15,000	12,242	550	-	272	28,064
Disposals in Year	-	(1,670)	(2,854)	(169)	-	(4,693)
At 31 March 2001	<u>50,000</u>	<u>37,281</u>	<u>550</u>	<u>8,851</u>	<u>1,674</u>	<u>98,356</u>
NET BOOK VALUE						
At 31 March 2001	<u>5,000</u>	<u>8,378</u>	<u>1,100</u>	<u>-</u>	<u>179</u>	<u>14,657</u>
At 31 March 2000	<u>20,000</u>	<u>20,620</u>	<u>-</u>	<u>-</u>	<u>451</u>	<u>41,071</u>

All tangible fixed assets are used to fulfil the charity's objects

Community Music Limited

Notes to the Financial Statements

For the Year Ended 31 March 2001

9. Debtors

	2001 £	2000 £
Trade Debtors	13,498	9,509
Other Debtors	2,173	5,838
Prepayments	1,965	2,565
Accrued Income	15,462	15,407
	<u>33,098</u>	<u>33,319</u>

10. Creditors : Amounts Falling Due Within One Year

	2001 £	2000 £
LAB Loan	10,000	5,000
Trade Creditors	10,900	3,502
Taxation & Social Security	4,709	10,701
Other Creditors	21,799	45,365
Accruals	5,025	4,000
Deferred Income	-	20,258
	<u>52,433</u>	<u>88,826</u>

11. Creditors : Amounts Falling Due After One Year

	2001 £	2000 £
2 - 5 Years	<u>15,000</u>	<u>20,000</u>

The above represents an interest free loan from the London Arts Board for £30,000 repayable over 7 years, as follows:

	2001 £	2000 £
Within One Year	10,000	5,000
2 - 5 Years	<u>15,000</u>	<u>20,000</u>
	<u>25,000</u>	<u>25,000</u>

Community Music Limited

Notes to the Financial Statements

For the Year Ended 31 March 2001

12. Analysis of Net Assets Between Funds

	Restricted Funds £	General Funds £	Total Funds £
Tangible Fixed Assets	-	14,657	14,657
Current Assets	8,435	30,747	39,182
Current Liabilities	(8,435)	(43,998)	(52,433)
Liabilities: Amounts Falling Due After One Year	-	(15,000)	(15,000)
Net Assets at 31 March 2001	-	(13,594)	(13,594)

13. Movements in Funds

	At 1 April 2000 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2001 £
Restricted Funds:					
Breakbeat	66	117,626	(134,244)	16,552	-
Musicians and Producers	19,721	45,000	(85,768)	21,047	-
Sound Foundation	-	20,000	(20,512)	512	-
Major Minor	(33)	1,250	(4,582)	3,365	-
Out of School Activities	-	5,030	(6,547)	1,517	-
Pyrotechnic Interface	-	15,000	(22,527)	7,527	-
Solotech Equipment Fund	449	-	(449)	-	-
Total Restricted Funds	20,203	203,906	(274,629)	50,520	-
General Funds	(4,892)	260,404	(218,586)	(50,520)	(13,594)
Total Unrestricted Funds	(4,892)	260,404	(218,586)	(50,520)	(13,594)
Total Funds	15,311	464,310	(493,215)	-	(13,594)

Transfers Between Funds

Transfers from unrestricted funds to restricted funds are made to cover the excess of costs, on individual projects, over restricted income.

Community Music Limited

Notes to the Financial Statements

For the Year Ended 31 March 2001

14. Operating Lease Commitments

The charitable company had annual commitments under operating leases expiring as follows:

	2001	2000
	£	£
Lease of Land and Buildings		
1 - 2 Years	-	-
2 - 5 Years	<u>45,000</u>	<u>45,000</u>
	<u>45,000</u>	<u>45,000</u>

15. Leasehold Dilapidations

The property lease for 35 Union Street is due to expire in August 2003. On expiry of the lease a dilapidation review of the premises will be performed resulting in a potential liability for Community Music. The amount of any future liability is, at the current time, uncertain.