

Charity Registration No. 328331

Company Registration No. 02394189 (England and Wales)

**MAGIC ME**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**



# MAGIC ME

## LEGAL AND ADMINISTRATIVE INFORMATION

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**Trustees** Cynthia Edwards Wilson  
Alison Harvie  
Denise Leander  
Aimee O'Malley  
Victoria Grace  
Benjamin Haber

**Secretary** Mark Bixter

**Charity number** 328331

**Company number** 02394189

**Principal address** 18 Victoria Park Square  
Bethnal Green  
London  
E2 9PF

**Registered office** 18 Victoria Park Square  
Bethnal Green  
London  
E2 9PF

**Independent examiner** Richard F Hopper  
Chinthurst  
30 St Stephens Hill  
Launceston  
Cornwall  
PL15 8HN

**Bankers** CAF Bank Ltd  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4JQ

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# MAGIC ME

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# MAGIC ME

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2018

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The trustees present their report and financial statements for the year ended 31 March 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's constitution, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities (FRS102)".

#### Objectives and activities

The charity's objects are the improvement and advancement of the education of children and adults towards a better understanding of ageing and the needs of elderly people, and methods by which those needs may best be met.

#### Public benefit

Magic Me works for the benefit of the public both now and for future generations. Research shows that 1 in 3 babies born in the UK this year will live to be 100.

By bringing younger and older people together in shared creative activities we bring enjoyment, improved wellbeing and greater mutual understanding across generations. Longer term we support individuals and organisations to imagine different ways of growing older and design the future society we need to build for our ageing population. Our activities, exhibitions and performances challenge both participants and audiences to reconsider ageist expectations and stereotypes which can limit the aspirations and lives of younger and older people.

The trustees have referred to the Charity Commission's guidance on public benefit in reviewing the charity's aims and objectives and in planning its future actions.

#### Who used and benefitted from our activities?

Magic Me benefits people of all ages at many different levels: young and older participants enjoy new opportunities, learn skills and form new friendships; our partners (e.g. staff in care homes) gain new insights and form deeper and more rewarding relationships with those for whom they care; artists and creative practitioners develop new skills and expertise; and our volunteers gain skills in communicating with older people and form wider connections and social links within their communities.

Magic Me is based in Tower Hamlets, east London, however the activities we deliver and our influence on other people benefits people and communities much more widely.

During 2017/18 Magic Me:

- \* ran intergenerational activities in a total of seven London Boroughs: five where we built on existing work -- Tower Hamlets, Islington, Southwark, Waltham Forest, Westminster, and two where we grew new activities -- Camden, Hammersmith & Fulham.

- \*partners included: 11 care homes for older people, two junior schools and one secondary school, two community centres, four universities, five corporate partners.

- \* ran 115 *Cocktails in Care Homes* parties, 71 sessions in schools and the community and ran or contributed to numerous *Sharing the Learning* events, conference and training sessions for other organisations.

- \* directly benefited 709 project participants including 425 older people attending *Cocktails in Care Homes* parties, together with 421 volunteers, a total of 1,130 people (up from 909 people in the previous year). Audiences of a further 2,540 people enjoyed our performances or exhibitions.

- \* was commissioned by Essex County Council to support *Creative Journeys*, a major programme of arts activity in care homes for older people across the county.

As tough economic conditions continue to increase the pressure on society's most vulnerable people we are committed to further extending our activity in the year ahead -- breaking down barriers between generations, tackling loneliness and isolation, and contributing directly to social cohesion and wellbeing.

# MAGIC ME

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2018

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The Board and staff team have worked together to write a 3-Year Strategic Plan to grow Magic Me's reach and impact within our home borough, Tower Hamlets, and also to serve other communities in outer east London and the east of England. Our aim is to share our proven and new models of intergenerational practice ever more widely, helping others across the country to create connections and enrich lives through shared creative activity. We will do this both through delivering activities ourselves and through influencing and supporting other organisations' work. By broadening our reach we also aim to increase the sustainability of Magic Me, building a broader base of partnerships and funding streams in more locations.

In addition to delivering a programme of activity, 2017/18 has therefore been a year of planning, partnership building and fundraising. This development period was made possible by a major anonymous donation in early 2017 and, from January 2018, £100,000 support from the Players of the People's Postcode Lottery, to run over two calendar years. The Director, Susan Langford and Programme Director, Kate Hodson, successfully applied to be part of Change Creation, a two year programme funded by Arts Council England which is offering us tailored support with this growth and the organisational change it requires.

#### **Achievements and performance**

Key achievements in our main areas of work included:

#### **Developing and delivering intergenerational arts projects**

**Schools and older people in Tower Hamlets** We continued to run our long-standing programme of term long projects, each linking a school group with local older people, through weekly workshops, led by skilled professional artists, working in a wide range of artforms. In 2017/18 we ran 3 projects *Stepney Stories*, *Outside In* and *Passing Notes*. An exhibition of artworks from *Passing Notes* was seen by over 2000 people at the Ideas Store, Whitechapel and artworks from each can be seen on our website. Participants' and teachers' feedback reported increased self-confidence, communication skills, teamwork and creative thinking and techniques. To build on this very successful model Magic Me has developed *Arts & Ages*, a three year programme with eight schools and eight partners, to build intergenerational work into the mainstream activities of schools, which we will launch in Autumn 2018.

**Decorum** Building on a successful pilot in Spring 2017, our year-long *Decorum* project with young and older women and a team of women artists, explores expectations of women's behaviour in the 21st Century. A core group of 19 young and older women in east London, created a series of three films about Decorum, drawing on their own experiences and those of 100+ other women of diverse ages and backgrounds, who took part in our programme of six pop-up workshops. The group presented their films and provided live 'Advice Tables' on decorum dilemmas at the Women of the World Festival at the Southbank Centre in March 2018. Decorum continues in 2018/19. Through a partnership with arts organisation Metal, the Magic Me artists are working with local artists and intergenerational women's groups in Peterborough and Southend to research and create their own films. Work from all three communities will be shown online in Summer 2018.

# MAGIC ME

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2018

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### Activity tackling loneliness and isolation among older care home residents

*Cocktails in Care Homes* We continued to grow our highly successful *Cocktails in Care Homes* project, bringing young adults 18+ to share an early evening drink after work with care home residents. Older people had requested evening activities which are lacking in many care homes. By March 2018 the project was serving 13 care homes, across seven London Boroughs, with volunteers hosting monthly parties. We now plan to grow to 18 homes in the current year and to research where and how to best grow *Cocktails* outside London.

*Cocktails in Care Homes* is of particular benefit to those residents who receive no other visitors or relish an opportunity to get dressed up and socialise with new people. Managers of care homes and care organisations recognise the lasting impact of *Cocktails in Care Homes*, which continues long after each party ends. Through the parties, staff and residents build stronger relationships, residents make friends and volunteers learn skills in communicating with people with dementia and feel more involved in their local neighbourhood.

From April 2017 we have asked care homes to contribute financially when they sign up for a year of parties, part of our plans to develop a sustainable model for growth. Even in these cash-strapped times, having seen the benefits to residents, care home managers have agreed to contribute, valuing this opportunity to keep residents connected with their wider community.

### Growing east

The first year of developing Magic Me's programme to reach wider audiences in outer east London and the east of England progressed well, with positive responses from many potential partners. As described above, *Decorum* was developed and begun with Metal in Essex and Cambridgeshire. Our Director was commissioned by Essex County Council Cultural Department, as part of their *Creative Journeys* programme of arts activity in care homes, to provide training for artists from across the county and mentor those involved in an intergenerational arts project in Rochford. Subsequently she was commissioned to deliver training for Activities Organisers at four events in early 2018/19. As part of our goal of serving outer east London, we have developed *Quality Street*, a new model of intergenerational work with a primary school and its surrounding community, in partnership with housing organisation L&Q. *Quality Street* will run over two years in Waltham Forest from Autumn 2018.

### Best practice development and sharing our expertise

Magic Me is a learning organisation, keen to share expertise and experiences from our projects with a wide public audience. In May 2017 we published an evaluation report on our two year Artists' Residencies in Care Homes programme, run with Anchor and four leading arts partners: Punchdrunk Enrichment, Lois Weaver, Duckie and Upswing circus company. Examples of successful arts activities were also published in the NAPA membership magazine in Autumn 2017, reaching 2,500 Activity Organisers working in care homes across the UK. A seminar to launch the report was the first of our two *Sharing the Learning* events this year. The second was a workshop on intergenerational arts practice delivered in partnership with Flourishing Lives, a London-wide coalition promoting wellbeing of older people.

### For more details

The development, activities and achievements of Magic Me during the year are further reviewed in our separate Annual Report. This will be available on-line at [www.magicme.co.uk](http://www.magicme.co.uk) following our AGM in October 2018 and in printed format on request from our office, 020 3222 6064.

# MAGIC ME

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2018

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### Financial review

The financial transactions of the charity during the year and the position at the end of the year are set out in the attached accounts.

The year has been another challenging one for communities and the third sector with decreasing public expenditure at central and local government level and rising levels of need. The knock on effect has been greater demand for grants from trusts, foundations and businesses and donations from individuals.

Income during the year 2017/18 was £302,512. This compares with £455,966 in 2016/17, when income included an unsolicited, surprise donation of £200,000 from an anonymous donor, in December 2016. The donation was unrestricted and to be spent during the next three years. Keen to invest this windfall in Magic Me's growth plans, rather than core activity, trustees designated the donation, focusing it on the development of new partnerships and project models, a Fundraising Coordinator post to develop new income streams and the implementation of our Digital Strategy.

During the past year we have invested £96,290 of the donation in this way, making a total investment of £112,281 to date, with £87,719 remaining to spend in 2018 and 19.

Additionally, an Award of £60,800 from the Players of the People's Postcode Lottery in January 2018 is supporting us to benefit communities in outer east London and the east of England.

Total expenditure for the year was £338,126, compared with £316,093 in 2017/18, meaning we ended the year with £253,212 in hand, a reduction from £288,827 in March 2017. This reflects Trustees' commitment to investing the major donation. With this large designated fund, Trustees undesignated £13,039 of other funds, previously reserved for future development.

We continue to work to diversify our range of sources of income. Magic Me receives no core public subsidy and we are enormously grateful for the very generous support received from numerous trusts and foundations, businesses, individual supporters and the Friends of Magic Me – without which our work would not be possible.

In 2017/18 income included grants from: Aurum Charitable Trust, the ExPat Foundation, Garfield Weston Foundation, the Grocers' Charity, the Headley Trust, the Henry Smith Charity, London Borough of Tower Hamlets, Lucas Tooth Trust, National Lottery via Arts Council England, Peter Minet Trust, Players of the People's Postcode Lottery and Westminster Amalgamated Charities.

- Individual donations totalled more than £29,000 including one-off gifts, monthly donations, and on-line sponsored event fundraising by committed volunteers. Within this our Big Give Christmas Challenge campaign raised a total of £4,486 with 106 individuals donating. We are grateful to volunteers who ran, walked and went through Tough Mudder challenges to raise funds, including Curo construction staff working locally in Bethnal Green.
- Project partners who contributed to the costs of activities included: Mulberry School for Girls, Metal and Essex County Council. From April 2017 we asked our *Cocktails in Care Homes* providers to contribute to the costs of parties, receiving over £3,000 in the year, with £9,000+ anticipated in 2018/19.

Non-financial support enabled us to keep down costs.

- We recruited and benefitted from the support of 421 volunteers and students on course placements who contributed a total of over 4,000 hours support. Volunteer roles included: office administration; arts project assistant; *Cocktails in Care Homes* party guest or Volunteer Party Manager; play-list DJ; photographer; party theme designer etc.
- Other In kind support included: corporate volunteers from Clifford Chance, Schrodgers, the Bank of England, Google and EY (who also gave grants); Clifford Chance volunteers hosted two afternoon concerts for care home residents; Allen & Overy LLP printed 150 copies of the Annual Report and provided expertise and support with negotiation of our new office lease. John Lewis and other businesses donated shop display materials to create décor for *Cocktails in Care Homes* parties.

# MAGIC ME

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2018

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### Reserves policy

The trustees aim to keep a balance in free reserves equal to at least three months' core expenditure (staff, office rent, insurance etc.), so as to enable the charity to continue to operate in the short term in the event of unexpected delays in the receipt of income or unexpected expenditure.

We ended 2018/19 with reserve funds of £31,102, including a designation of £17,695 to cover unforeseen operating costs as listed in Note 19. Budgeted core expenditure for 2018/19, minus costs covered by restricted funds, is £323,000 making the reserves target £80,900.

Therefore, the present level of reserves available to Magic Me falls short of the target and we plan to address this further in the current year, with a budget aimed at creating a surplus from, for example, earned income.

The cashflow on 31 March 2018 was healthy, with £251,841 cash in hand and total assets of £253,212 after deducting liabilities.

The trustees have reviewed during the year the major risks to which the charity is exposed. They have looked at existing risk and further control measures required and the process by which Trustees are kept up to date about these risks. These risks have been classified under the headings set out below, with some of the key actions taken to mitigate them.

- 1) Governance risk: to continue to ensure that the trustees have the relevant skills, commitment and capacity to govern Magic Me to enable the charity to be the best that it can be, steadfastly focused on achieving its vision, mission and purpose, so as to transform the lives of the beneficiaries whom we serve.
- 2) Operational risk: to continue to ensure that policies and procedures including those for Safeguarding of Children and Vulnerable Adults, Health & Safety and Equal Opportunities are in line with current best practice and implemented; appropriate systems for contracting, managing and supervising all staff and freelance artists and workers, and for working with volunteers are in operation; clear written agreements of roles and responsibilities are negotiated and signed with project partners.
- 3) Financial risk: to continue to ensure good forward financial planning, fundraising and cashflow awareness; the maintaining of a suitable reserves policy aiming to build up a reserve of at least three months' running costs
- 4) Regulatory and external risk: to continue to ensure best practice is followed regarding employment practices and the policies noted under operational risk; compliance with relevant legislation regarding charities and companies; to remain alert to the changing context within the many sectors in which Magic Me operates.
- 5) Reputational risk: to continue to build on the charity's reputation for best practice and to develop good working relationships with partners, e.g. schools, care providers, funders.

# MAGIC ME

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2018

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### Structure, governance and management

Magic Me is a company limited by guarantee (no. 2394189) formed on 12 June 1989 and is registered as a charity (no. 328331).

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

James Barrett	(Resigned 10 October 2017)
Cynthia Edwards Wilson	
Alison Harvie	
Holly Aston	(Resigned 28 February 2018)
Lynne Hale	(Resigned 10 October 2017)
Denise Leander	
Aimee O'Malley	
Victoria Grace	
Benjamin Haber	
Gordon Lund	(Resigned 9 February 2018)

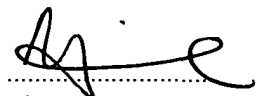
None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The charity is run by a board of directors/trustees which meets every two months. Through three sub-committees (Finance Audit and Risk, Fundraising and HR) the trustees also oversee key aspects of the charity's operations. The day-to-day management of the organisation is delegated to the Director who leads the delivery of activities and projects with a team of other employees, professional artists and numerous volunteers.

### Asset cover for funds

The notes to the accounts set out the assets attributable to the various funds and a description of the trusts. These assets are sufficient to meet the charity's obligations on a fund-by-fund basis.

The trustees' report was approved by the Board of Trustees.



Alison Harvie

Trustee

Dated: 2/8/18

# MAGIC ME

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MAGIC ME

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I report to the trustees on my examination of the financial statements of Magic Me (the charity) for the year ended 31 March 2018.

### Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

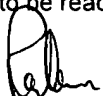
### Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants in England & Wales, which is one of the listed bodies.

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.



Richard F Hopper

Chinthurst  
30 St Stephens Hill  
Launceston  
Cornwall  
PL15 8HN

Dated: 7 August 2018

# MAGIC ME

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b><u>Income and endowments from:</u></b>					
Donations and grants	3	19,883	267,881	287,764	453,916
Other trading activities	4	156	-	156	226
Investments	5	106	-	106	312
Other income	6	14,486	-	14,486	1,512
<b>Total income</b>		<b>34,631</b>	<b>267,881</b>	<b>302,512</b>	<b>455,966</b>
<b><u>Expenditure on:</u></b>					
Raising funds	7	33,230	-	33,230	19,888
Charitable activities	8	111,032	193,864	304,896	296,205
<b>Total resources expended</b>		<b>144,262</b>	<b>193,864</b>	<b>338,126</b>	<b>316,093</b>
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(109,631)</b>	<b>74,017</b>	<b>(35,614)</b>	<b>139,873</b>
Fund balances at 1 April 2017		228,453	60,373	288,826	148,954
<b>Fund balances at 31 March 2018</b>		<b>118,822</b>	<b>134,390</b>	<b>253,212</b>	<b>288,827</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# MAGIC ME

## BALANCE SHEET

AS AT 31 MARCH 2018


	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	12		784		1,079
<b>Current assets</b>					
Debtors	14	14,061		5,524	
Cash at bank and in hand		251,841		298,569	
		<u>265,902</u>		<u>304,093</u>	
<b>Creditors: amounts falling due within one year</b>	15	(13,474)		(16,345)	
Net current assets			252,428		287,748
<b>Total assets less current liabilities</b>			<u>253,212</u>		<u>288,827</u>
<b>Income funds</b>					
Restricted funds	17		134,390		60,374
<u>Unrestricted funds</u>					
Designated funds	18	105,415		214,743	
General unrestricted funds		13,407		13,710	
		<u>118,822</u>		<u>228,453</u>	
			<u>253,212</u>		<u>288,827</u>


The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2018. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the Trustees on 21/8/18

  
 Alison Harvie  
 Trustee

  
 Benjamin Haber  
 Trustee

Company Registration No. 02394189

# MAGIC ME

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 1 Accounting policies

#### Charity information

Magic Me is a private company limited by guarantee incorporated in England and Wales. The registered office is 18 Victoria Park Square, Bethnal Green, London, E2 9PF.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

# MAGIC ME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

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### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

Expenditure is charged in the accounts at the time when a liability to make payment is incurred.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	33.33% p.a. on cost
Fixtures, fittings & equipment	25% p.a. on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# MAGIC ME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### **1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

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

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# MAGIC ME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 3 Donations and grants

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Donations and gifts	12,105	15,419	27,524	227,066
Grants income	7,778	252,462	260,240	226,850
	<u>19,883</u>	<u>267,881</u>	<u>287,764</u>	<u>453,916</u>
<b>For the year ended 31 March 2017</b>	<u>252,452</u>	<u>201,464</u>		<u>453,916</u>

The trustees acknowledge with thanks grant and donation income from many funders and supporters within the public, private and voluntary sectors, including the following of £1,000 or more:

£15,480 LB Tower Hamlets Prevention and Wellbeing  
£60,800 Players of the Postcode Lottery: Postcode Support Trust  
£44,550 The National Lottery through Arts Council England  
£30,000 The Henry Smith Charity  
£28,504 Aurum Charitable Trust  
£20,000 The Headley Trust  
£15,000 Garfield Weston Foundation  
£10,400 Anonymous  
£5,000 Essex County Council  
£5,000 Lucas Tooth Trust  
£5,000 The Grocers Charity  
£4,000 Westminster Amalgamated Charities  
£3,000 Peter Minet Trust  
£2,395 Co-Op Local Community Fund  
£2,000 Big Give  
£2,000 ExPat Foundation  
£1,860 Schroder Investment Bank  
£1,000 Ernst & Young

We also thank the following project partners for their contributions:

£2,100 Metail  
£2,000 Mulberry School for Girls  
and our *Cocktails in Care Homes* care provider partners

and the 208 individuals who donated during the year including those who gave a total of £4,486 during our Big Give Christmas Challenge.

# MAGIC ME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 4 Other trading activities

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Sale of books etc.	156	-	156	226
	<u>156</u>	<u>-</u>	<u>156</u>	<u>226</u>
<b>For the year ended 31 March 2017</b>	<b>171</b>	<b>55</b>		<b>226</b>
	<u>171</u>	<u>55</u>		<u>226</u>

### 5 Investments

	2018	2017
	£	£
Interest receivable	106	312
	<u>106</u>	<u>312</u>

### 6 Other income

	2018	2017
	£	£
Other income	14,486	1,512
	<u>14,486</u>	<u>1,512</u>

Other income comprises fees earned from the provision of training and consultancy services.

### 7 Raising funds

	2018	2017
	£	£
<u>Costs of generating grants and donations</u>		
Fundraising expenses	120	2,888
Staff costs	33,110	17,000
	<u>33,230</u>	<u>19,888</u>
Costs of generating grants and donations	33,230	19,888
	<u>33,230</u>	<u>19,888</u>

# MAGIC ME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 8 Charitable activities

	Inter- genera- tional activities £	Training and developmt activities £	Total 2018 £	Total 2017 £
Staff costs	113,633	52,969	166,602	143,187
Depreciation and impairment	783	156	939	724
Artists' fees, materials and other direct project costs	63,089	7,308	70,397	88,697
	<u>177,505</u>	<u>60,433</u>	<u>237,938</u>	<u>232,608</u>
Share of support costs (see note 9)	60,211	4,521	64,732	49,190
Share of governance costs (see note 9)	2,226	-	2,226	14,407
	<u>239,942</u>	<u>64,954</u>	<u>304,896</u>	<u>296,205</u>
<b>Analysis by fund</b>				
Unrestricted funds	46,078	64,954	111,032	
Restricted funds	193,864	-	193,864	
	<u>239,942</u>	<u>64,954</u>	<u>304,896</u>	
<b>For the year ended 31 March 2017</b>				
Unrestricted funds	39,717	11,991		51,708
Restricted funds	239,582	4,915		244,497
	<u>279,299</u>	<u>16,906</u>		<u>296,205</u>

# MAGIC ME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 9 Support costs

	Support costs	Governance costs	2018	2017	Basis of allocation
	£	£	£	£	
Staff costs	31,044	-	31,044	21,946	
Premises and insurance costs etc.	17,706	-	17,706	11,475	
Administrative expenses	15,982	-	15,982	21,769	
Accountancy	-	2,226	2,226	8,407	Governance
	<u>64,732</u>	<u>2,226</u>	<u>66,958</u>	<u>63,597</u>	
Analysed between Charitable activities	<u>64,732</u>	<u>2,226</u>	<u>66,958</u>	<u>63,597</u>	

Governance costs includes payments to the independent examiner of £900 (2017- £1,044) for independent examination and accountancy fees.

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, and none of them were reimbursed any expenses (2017- none were reimbursed).

### 11 Employees

#### Number of employees

The average monthly number employees during the year was:

	2018 Number	2017 Number
Project work	7	5
Administration	1	1
	<u>8</u>	<u>6</u>

#### Employment costs

	2018 £	2017 £
Salaries	229,168	181,796
Other pension costs	1,588	337
	<u>230,756</u>	<u>182,133</u>

There were no employees whose annual remuneration was £60,000 or more.

# MAGIC ME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 12 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
<b>Cost</b>			
At 1 April 2017	8,474	1,282	9,756
Additions	644	-	644
At 31 March 2018	9,118	1,282	10,400
<b>Depreciation and impairment</b>			
At 1 April 2017	7,395	1,282	8,677
Depreciation charged in the year	939	-	939
At 31 March 2018	8,334	1,282	9,616
<b>Carrying amount</b>			
At 31 March 2018	784	-	784
At 31 March 2017	1,079	-	1,079

### 13 Financial instruments

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	10,415	942
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	13,474	12,782

### 14 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	5,556	-
Other debtors	4,859	942
Prepayments and accrued income	3,646	4,582
	14,061	5,524

# MAGIC ME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

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### 15 Creditors: amounts falling due within one year

	2018 £	2017 £
Other taxation and social security	-	3,563
Other creditors	8,827	8,423
Accruals and deferred income	4,647	4,359
	<u>13,474</u>	<u>16,345</u>

### 16 Retirement benefit schemes

#### Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £1,588 (2017 - £337).

# MAGIC ME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			
	Balance at 1 April 2017	Incoming resources	Resources expended	Balance at 31 March 2018
	£	£	£	£
Cocktails in Care Homes	35,526	110,111	(86,644)	58,993
Cocktails Website	2,939	3,504	(4,759)	1,684
Artists Residencies	1,284	-	(1,284)	-
Decorum	-	64,502	(52,283)	12,219
Youth projects	15,634	-	(12,229)	3,405
Players of the Peoples Postcode Lottery	-	60,800	(7,711)	53,089
Other schools projects	4,990	23,964	(28,954)	-
Essex	-	5,000	-	5,000
	<u>60,373</u>	<u>267,881</u>	<u>(193,864)</u>	<u>134,390</u>

The restricted funds are held for the following purposes:

#### Cocktails in Care Homes

Programme of monthly evening parties for older residents of care homes with trained adult volunteers, providing friendship, fun and new relationships.

#### Cocktails in Care Homes website

Development of a new website specifically for Cocktails in Care Homes to manage volunteer involvement; includes development of a database using the Upshot Monitoring system.

#### Decorum

One-year project working with women across generations from across London, Peterborough and Southend to create digital art work and live performances exploring decorum for 21st century women.

#### Players of the People's Postcode Lottery

To support Magic Me's strategic plan to grow our reach, impact and supporter base beyond the London Borough of Tower Hamlets to serve outer East London and the East of England.

#### Artists Residencies

Two-year programme supporting four of the UK's leading performing arts companies to develop their work for a Care Home audience including those with dementia.

#### Schools projects

Bringing together Tower Hamlets students and local older people to create artworks and performances.

#### Youth projects

To support Magic Me's work, specifically benefitting young people in the UK.

#### Essex Care Homes

To support Magic Me's work in Care Homes growing to the East of England.

# MAGIC ME

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2017	Movement in funds		Transfers	Balance at 31 March 2018
	£	New designations £	Utilised as designated £	£	£
Development	197,048	-	(76,289)	(33,039)	87,720
Staff cover	8,000	-	-	-	8,000
Training	2,695	-	-	-	2,695
Office renovations	4,000	-	-	-	4,000
Equipment	1,000	-	-	-	1,000
Safeguarding	2,000	-	-	-	2,000
	<u>214,743</u>	<u>-</u>	<u>(76,289)</u>	<u>(33,039)</u>	<u>105,415</u>

### 19 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2018 are represented by:			
Tangible assets	784	-	784
Current assets/(liabilities)	118,038	134,390	252,428
	<u>118,822</u>	<u>134,390</u>	<u>253,212</u>

### 20 Related party transactions

There were no disclosable related party transactions during the year (2017 - none).