

**BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Charity registration number** 1072627

**Company registration number** 03448894



**BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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# **BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED (A COMPANY LIMITED BY GUARANTEE)**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Charity number</b>	1072627
<b>Company number</b>	03448894
<b>Governing document</b>	The Company is governed by its memorandum and articles of association.
<b>Known as</b>	The Conservatoire
<b>Registered and Principal Office</b>	19-21 Lee Road Blackheath London SE3 9RQ
<b>Auditors</b>	Knox Cropper LLP 65 Leadenhall Street London EC3A 2AD
<b>Bankers</b>	Barclays Level 27, 1 Churchill Place London E14 5HP
<b>Current Trustees</b>	Theano Sakkas – Chair Jane Burton Clare Cornwell Joanne Harrison Nathan Homan Katrina Shenton Emma Smillie
<b>Executive Director</b>	Kay Sandford-Beal
<b>Website</b>	<a href="https://www.conservatoire.org.uk">https://www.conservatoire.org.uk</a>

# **BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED (A COMPANY LIMITED BY GUARANTEE)**

## **TRUSTEES' ANNUAL REPORT**

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The trustees, who are the directors of the Company for the purposes of company law, have pleasure in presenting their report together with the financial statement for The Blackheath Conservatoire of Music and the Arts Ltd (the "Conservatoire" or the "Company") for the year ended 31 August 2020.

The report has been prepared in accordance with the Charities Act 2011 and it is also the report of the directors for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 14 and 15 of the attached financial statements and comply with the Company's Memorandum and Articles of Association.

### **Structure, Governance and Management**

The Company is a charity and a company limited by guarantee. The charity registration number is 1072627. The company registration number is 03448894.

The governing documents are its Memorandum and Articles of Association which were last amended on 11 May 1999. The Members are the guarantors of the Company and each has undertaken to contribute such amounts as may be required (but not exceeding £10) to the Company's assets if it should be wound up while they are a member, or within one year after they should cease to be a member, for payment of the Company's debts and liabilities contracted before they ceased to be a member, together with the costs, charges and expenses of the winding up, and for the adjustments of the rights of the contributories among themselves.

### **Trustees**

The trustees constitute the directors of the Company for the purposes of the Companies Act 2006.

The initial Trustees were appointed at the date of incorporation, with future Trustee appointments being made in subsequent years on the basis of eligibility, personal competence, specialist skills and local knowledge. New Trustees received an induction into the operations of the Company.

The retirement by rotation and re-election procedures for the trustees are set out in the Memorandum and Articles of Association.

There must be a minimum of three trustees but there is no maximum limit.

The following trustees held office between 1 September 2019 and the date of this report, unless otherwise noted below.

<b>Name</b>	<b>Date Appointed</b>	<b>Date Resigned</b>
Jane Burton	-	-
Clare Cornwell	16 December 2020	1 June 2020
Joanne Harrison	13 March 2020	-
Nathan Homan	13 March 2020	-
Michael O'Byrne	-	10 June 2020
Theano Sakkas	-	-
Katrina Shenton	13 March 2020	-
Emma Smillie	13 March 2020	-

# **BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED (A COMPANY LIMITED BY GUARANTEE)**

## **TRUSTEES' ANNUAL REPORT**

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### **Trustees (continued)**

The beneficial interest of the trustees in contracts and transactions with the Company during the period are disclosed in note 17 of the financial statements.

### **Statement of trustees' responsibilities**

The trustees are responsible for preparing the trustees' report and financial statements in accordance with applicable laws and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the company for that period. 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 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- So far as the trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- The trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the company and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Objectives of the charity**

The long term objectives of the charity are its objects, as set out in the Memorandum of Association, being to promote the study, knowledge, understanding and appreciation of music, fine arts and the applied arts (altogether "the arts") for the benefit of the inhabitants of Blackheath, Greenwich, Lewisham and the surrounding area. The charity also aims to provide sustainable bursary funding to selected students to enable them to complete their studies.

The charity has set a short term objective of returning to a sustainable net surplus through the expansion of its range of courses, the increase in the occupancy on its courses, the development of other funding sources such as rental income and the careful monitoring of costs.

# **BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED (A COMPANY LIMITED BY GUARANTEE)**

## **TRUSTEES' ANNUAL REPORT**

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### **Measurement of success against aims and objectives**

The trustees have referred to the guidance in the Charity Commission general guidance on public benefit when reviewing the aims and objectives of the Company and in planning its activities and in measuring its success against those aims and objectives. The activities of the charity fulfil the public benefit requirements through the provision of music, drama and art courses that would not be available to students through other local sources or organisations and the provision of financial support to students who would, without this support, be unable to benefit from the tuition provided.

The charity measures its success against its long term objectives by the level and quality and range of the tuition provided to its students, the level of engagement provided to the local community in the form of events or other sponsored activities, the level of bursary funding provided to students.

The charity measures its success against its short term objective by the achievement of sustainable net surplus.

### **Main achievements in the period**

This report focuses on our activities in the year, which includes our responses to the Coronavirus pandemic and the resulting physical closure of the building in March 2020 through to September 2020. Our future actions in response to the continued impact of Covid 19 are discussed at the end of this report under the "Future Plans" heading.

The financial impact of Covid 19 on the Company is discussed in the Financial Review section of this report. Despite the reduction of activity in the Summer 2020 term due to Covid 19 the Company continued to maintain its focus on the provision of high quality art, drama and music tuition to the local community throughout the year. The charity also continued to engage with the community through a number of community focused activities and events which have been well attended. The level of bursary funding and other support for students who require financial assistance to enable them to receive tuition has been maintained.

### **Risk management**

The trustees regularly review the key identified risks facing the charity and develop action plans to minimise the impact of those risks.

The identified key risks and related responses are:

- The loss of effective management of the charity through the loss of trustees and/or key management. The trustees regularly review the tenure of the Board members and induct new Board members as necessary. The Board regularly reviews the performance and capabilities of the management team and ensures that contingency plans are in place to ensure the operations of the charity will not be affected by the departure of a key member of management.
- The inability of the charity to continue to operate as a going concern. The Board ensures that annual profit and cash flow budgets are prepared and that performance against budget is monitored through the preparation of monthly management accounts and short term cashflow forecasts.
- Fire or other damage to the buildings or to the IT infrastructure of the charity. The charity employs a dedicated Premises Manager to manage the property estate and to ensure that fire and security systems are maintained and that repairs are performed on a timely basis to minimise risk. Buildings insurance is maintained. The charity has implemented IT policies to minimise the impact of the loss of IT infrastructure, including the use of cloud based hosting of key systems, offsite storage of other key data and the daily back up of data.
- The loss of reputation as a result of a child safeguarding issue. The charity has a formal child safeguarding policy in place including regular reviews with all staff, course assistants and tutors. DBS checks and other safeguarding activities are performed.

The trustees will maintain the controls to mitigate the risks arising from the above risk areas.

# **BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED (A COMPANY LIMITED BY GUARANTEE)**

## **TRUSTEES' ANNUAL REPORT**

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### **Review of the year**

Despite the reduction in activity in the Summer 2020 term due to the impact of Covid 19 the Company continued to make progress on the implementation of the strategic plan. In particular:

- The group course curriculum was maintained throughout the year and a wide range of courses and holiday courses were delivered. Other than for the reduction in students due to the Covid 19 impact in the Summer 20 term the number of students taking group course and individual tuition lessons continued to increase.
- To enable more people to enjoy the Conservatoire a range of events were held in each term, including adult and child art exhibitions, concerts and other public activities. The Conservatoire was an active contributor to local community events.
- Improvements have continued to be made to the buildings with a number of repairs being completed during the year.
- Our outreach programme included a range of programmes including a Early Years Pedagogy Programme, Schools Creative Education Programme, Intergenerational Art Programme, Women in the Creative Arts Programme and Refugee Support Programme.
- Our bursary programme continued with assisted bursary places being provided during the year to help young talent musicians thrive and grow.

The Board has also focused during the year on maintaining the trust and co-operation of the local community, sponsors and business partners. Particular care has been taken to engage positively with the local residents near the Conservatoire who are impacted by its operations.

The Board's will continue with its positive engagement with all the supporters and business partners of the Conservatoire with regular communication to those stakeholders being issued throughout the year.

### **Fundraising**

Our Developing Young Potential Fund, or bursary fund, received £24,329 of donations in the year including a £20,000 anonymous donation. Our annual quiz event raised £2,679 for bursary funding in the year.

We were delighted to also receive the second tranche of £20,000 from the Andrew Lloyd Webber Foundation, which enabled us to continue our outreach work and to reach a broader community than ever before.

The Company did not use fundraising services, consultants or external professional fundraisers to undertake its fundraising activities. No data is shared with or sold to any external agencies. The Company holds events for existing donors and for individuals who have expressed an interest in supporting the work of the Company. The Company complies with the provisions of the data protection legislation.

### **Marketing**

We continued to run a number of targeted marketing campaigns during the year to support the development and expansion of the group course curriculum and the range of other events. We also continued to maintain the new Conservatoire website in order to provide extensive information on our activities and courses.

# **BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED (A COMPANY LIMITED BY GUARANTEE)**

## **TRUSTEES' ANNUAL REPORT**

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### **Staffing**

Staff and tutors have continued to provide an enthusiastic and dedicated service to our customers and the public during the year.

The Trustees were delighted that Kay Sandford-Beal accepted their offer of the Executive Director role in November 2020 and look forward to working with her on the development of the Company. A short biography summarising Kay's experience is contained in the "New" section of the website.

### **Remuneration policy**

The remuneration policy of the charity is to offer a range of benefits to employees, including pension scheme participation, part time and flexible working and discounts that will enable the Company to offer competitive remuneration packages to current and prospective employees.

### **Trustees**

Due to changed personal commitments Michael O'Byrne resigned as trustee on the 10 June 2020. The Board would like to thank Michael for his contribution to the Board during his time as a trustee. Following the departure of the MD, John Keeley, in May 2020 Clare Cornwell took up the role of Executive Director (Acting) resigning as a trustee on the 10 June 2020.

Following the appointment of Kay Sandford-Beal as the new Executive Director Clare Cornwell resigned as Executive Director (Acting) and was reappointed as a trustee on the 16 December 2020. The trustees were immensely grateful to Clare for stepping into the Executive Director role at such short notice and for her leadership during one of the most difficult times in the Conservatoire's history.

### **Financial review**

The results for the year and financial position of the Company are shown in the financial statements.

Total income decreased by £292,013 to £1,236,576. This decrease was due to the closure of the building in March 2020 in response to the government Covid regulations. Although individual tuition and group courses were moved online in the summer term there was still a significant reduction in student numbers and course income. Rental income decreased due to the tenant vacating the Art Building attic and the closure of the café in March 2020.

Total expenditure decreased by £187,820 to £1,291,157. This decrease was due to the reduction in teaching from the decrease in student numbers in the summer term and the cost reduction measures implemented following the closure of the building in response to the government Covid regulations.

Support expenditure, which includes salaries, marketing and publicity costs, office costs, outreach expenditure, premises costs, professional fees, finance costs, depreciation and governance costs decreased by £32,058, primarily due to the cost reduction measures implemented post the building closure in March 2020. Outreach expenditure of £14,117 was incurred in the year (2019: £18,644) relating to the Lloyd Webber Foundation funding.

An operating profit, being net (expenditure)/income before finance costs and depreciation, of £91,100 was achieved in the year, a decrease of £131,829 from the prior year operating profit of £222,929. This decrease was a result of the net impact of the building closure in March 2020.

Finance costs decreased by £23,667 to £66,194 due to the lower interest rates on borrowing following the refinancing of the existing loans in December 2018. Depreciation costs decreased by £3,969 to £79,487 as the result of fixed assets becoming fully depreciated.

The net expenditure for the year, after finance costs and depreciation, was £54,581, a decrease of £104,193 from the preceding year net income of £49,612.



# **BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED (A COMPANY LIMITED BY GUARANTEE)**

## **TRUSTEES' ANNUAL REPORT**

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### **Financial review (continued)**

Fixed and intangible assets decreased by £76,366 to £1,586,496, as the depreciation charge for the year exceeded the capital expenditure on fixed asset additions.

Current assets increased by £73,559 to £480,291 primarily due to the increase in cash as a result of the additional borrowing taken out in the year to provide resources to the business during the Covid recovery plan period.

Current liabilities decreased by £120,479 to £441,049. The current portion of loans reduced by £28,979 to £18,752 due to the loan capital repayment holiday agreed in the year. The deferred income balance decreased by £105,153 to £276,724, due to the lower course sales for the autumn term compared to the previous year.

Non-current liabilities increased by £172,253 to £1,653,680 as a result of the additional £175,000 borrowing taken out with Triodos Bank in the year.

The general reserve deficit increased by £44,934 to £600,654 due to the net impact of the retained loss for the year, after reserve transfers, of £50,770, and the transfer of £5,836 from the revaluation reserve to the general reserve. The revaluation reserve decreased by £5,836 to £548,565 as a result of the additional depreciation on the revaluation surplus being transferred to the general reserve.

Restricted funds decreased by £3,811 to £24,147 due to the continued outreach spending during the year.

The total reserves of the Company decreased by £54,581 to a net deficit of £27,942 as a result of the deficit incurred in the year.

### **Funds**

The Company has a general fund and a revaluation reserve fund the accounting policy for which are described in note 1 to the Financial Statements. These funds are considered by the trustees to be unrestricted funds.

The Company has a Developing Young Potential fund. This fund is a restricted fund. The Developing Young Potential fund holds the funds donated to enable the Company to fund bursary students. The Andrew Lloyd Webber Foundation fund, which was a restricted fund, was fully utilised in the year.

The Company did not hold any designated funds as at 31 August 2020 (2019: £nil).

### **Reserves policy**

The Trustees intend to eliminate the deficit on general reserves by implementing a strategy to generate sustainable net profits in the future. Net profits will be generated by increasing income levels through the identification of additional revenue sources, including grants and by growing course revenue, together with continued control over costs. The Trustees intend to increase reserves to a level that will enable the Company to meet the overheads of the organisation for a three month period.

### **Future plans**

In the immediate future the Company is engaged in ensuring that the maximum level of group and individual tuition can continue despite the ongoing impact of the Coronavirus pandemic. The Company has well established processes to enable tuition to continue online and these were implemented during November 2020 in response to the Government announcement on the 30 October. The Company also has established procedures to enable socially distanced physical group courses and individual tuition to continue when the building is open.

The Going Concern section of this report provides information on the ability of the Company to continue to operate in the future.

The longer term future plans of the Company remain to maintain and develop its range of courses, tuition and events in order to sustain the level of charitable income from this source. The Company will need to balance the demands for tuition space arising from these plans against the other space requirements of the business and the need to maintain the level of rental income.

# **BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED (A COMPANY LIMITED BY GUARANTEE)**

## **TRUSTEES' ANNUAL REPORT**

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### **Future plans (continued)**

The Company plans to carefully increase its level of engagement in the local community by partnering with schools and other local community organisations who have a need for art, music and drama services or who will use such services to address local issues. The Company will need to balance the increased costs arising from the increased demands on its resources with the level of income earned to ensure that these activities are sustainable.

### **Going concern**

The net deficit in the year was £54,581 and the Company has a deficit on reserves as at the 31 August 2020 of £27,942.

As at the 31 August 2020 the Company had cash at bank and in hand of £389,225, current assets of £480,291 and current liabilities of £441,049. Net current assets were £39,242. After adjusting for the deferred income balance of £276,724, which represents future income rather than a current liability, the Company has net current assets of £315,966.

The total borrowings of the Company of £1,472,331 are secured on the Company's freehold property and have repayment terms of 19 years.

The trustees believe that they are justified in preparing accounts on a going concern basis as the strategy and financial plan for the Company means that the Company has a realistic prospect of generating sustainable profits, generating positive cash flows and repaying its borrowings. In reaching this conclusion the trustees have taken into account the following points:

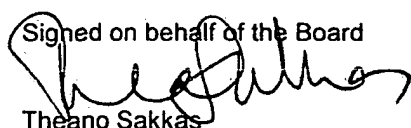
- The company demonstrated the ability to generate surpluses in the 2018 and 2019 financial years. The loss in the current year is due to the impact of the building closure due to the government Covid regulations. The company has implemented a Covid recovery plan to respond to the financial challenges generated by this closure.
- The company borrowed an additional £175,000 in the year to provide the cash resources to support the charitable operations while the Covid recovery plan is implemented.
- In October 2020 the company was awarded £228,000 by Arts Council England from the Culture Recovery Fund. This funding is to replenish the reserves of the company and provide resources to enable the Covid recovery plan to be implemented.
- The unaudited budget for the year ending 31 August 2021 indicates an operating profit of £254,256, including the Culture Recovery Fund grant, a profit after finance costs of £189,353 and a net profit after depreciation of £115,189.
- The monthly cash flows for the year ending 31 August 2021 indicate that the Company will be able to maintain adequate cash reserves to be able to meet operating liabilities as and when they fall due over that period.
- The Company is currently funded with a 19 year loan facility.
- The Company holds title to freehold property which has been valued at £2.76 million, providing sufficient security for current and future borrowings.

Based on the above position the trustees are satisfied that the Company has adequate resources to enable the Company to meet its commitments as they fall due and therefore the financial statements have been prepared on a going concern basis.

### **Auditors**

The auditors, Knox Cropper LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Signed on behalf of the Board



Theano Sakkas

Date: 18 January 2021

# **BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED (A COMPANY LIMITED BY GUARANTEE)**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED FOR THE YEAR ENDED 31 August 2020**

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### **Opinion**

We have audited the financial statements of Blackheath Conservatoire of Music and the Arts Limited (the "charitable company") for the year ended 31st August 2020 which comprise the Statement of Financial Activities Balance Sheet, the Statement of Cashflows and the related notes. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2020 and of its income and expenditure, including its result, 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

# **BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED (A COMPANY LIMITED BY GUARANTEE)**

## **INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31 August 2020**

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities set out on page three, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.


### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### **Use of our report**

This report is made solely to the 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 charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

  
Matthew Elkins FCA  
Senior Statutory Auditor  
For and on behalf of Knox Cropper LLP  
Chartered Accountants and Statutory Auditors  
65 Leadenhall Street, London, EC3A 2AD

Date: 21 January 2021

**BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 August 2020**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
<b>Income from</b>					
<b>Donations and legacies</b>	2	16,108	44,329	60,437	57,409
<b>Charitable activities</b>	2	1,131,858	31,281	1,163,139	1,442,827
<b>Other trading activities</b>	2	13,000	-	13,000	28,353
<b>Total income</b>		1,160,966	75,610	1,236,576	1,528,589
<b>Expenditure on</b>					
<b>Charitable activities</b>		1,246,020	45,137	1,291,157	1,478,977
<b>Raising funds</b>		-	-	-	-
<b>Total expenditure</b>	3	1,246,020	45,137	1,291,157	1,478,977
<b>Net (expenditure)/income</b>		(85,054)	30,473	(54,581)	49,612
<b>Transfers between funds</b>		34,284	(34,284)	-	-
<b>Net movement in (deficit)/funds</b>		(50,770)	(3,811)	(54,581)	49,612
<b>Reconciliation of funds</b>					
<b>Total (deficit)/funds at 1 September</b>		(1,319)	27,958	26,639	(22,973)
<b>Total (deficit)/funds at 31 August</b>	13	(52,089)	24,147	(27,942)	26,639

All incoming resources and resources expended derive from continuing activities.

The notes on pages 14 to 25 form part of these financial statements.

**BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASHFLOWS AND RECONCILIATION OF NET DEBT  
FOR THE YEAR ENDED 31 August 2020**

STATEMENT OF CASHFLOWS	Total 2020 £	Total 2019 £	
Net cashflow from operating activities	(2,929)	183,991	
Net cash used in investing activities			
Purchase of fixed assets	(3,121)	(22,490)	
Net cash provided by/(used in) financing activities			
New borrowing	175,000	-	
Repayment of loans	(31,727)	(76,711)	
Change in cash and cash equivalents in the period	137,223	84,790	
Cash and cash equivalents at the beginning of the period	252,002	167,212	
Cash and cash equivalents at the end of the period	389,225	252,002	
Reconciliation of net income to net cashflow from operating activities			
Net (expenditure)/income for the reporting period	(54,581)	49,611	
Decrease in debtors	63,664	6,420	
(Decrease)/increase in creditors	(91,499)	44,504	
Depreciation	79,487	83,456	
Net cashflow from operating activities	(2,929)	183,991	
RECONCILIATION OF NET DEBT	As at 31.09.19 £	Cash flows £	As at 31.09.20 £
Cash and cash equivalents	252,002	137,223	389,225
Loans falling due within one year	(47,731)	28,979	(18,752)
Loans falling due after more than one year	(1,281,427)	(172,253)	(1,453,680)
Net debt	(1,077,156)	(6,051)	(1,083,207)

# BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED (A COMPANY LIMITED BY GUARANTEE)

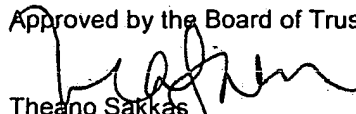
COMPANY NUMBER: 03448894

BALANCE SHEET AT 31 August 2020

	Notes	2020	2019
		£	£
<b>Fixed assets</b>			
Intangible asset	6	-	14,040
Tangible assets	7	1,586,496	1,648,822
		<u>1,586,496</u>	<u>1,662,862</u>
<b>Current assets</b>			
Debtors	8	91,066	154,730
Cash at bank and in hand		389,225	252,002
		<u>480,291</u>	<u>406,732</u>
<b>Creditors: amounts falling due within one year</b>	9	(441,049)	(561,528)
<b>Net current assets/(liabilities)</b>		<u>39,242</u>	<u>(154,796)</u>
<b>Total assets less current liabilities</b>		<u>1,625,738</u>	<u>1,508,066</u>
<b>Creditors: amounts falling due after more than one year</b>	10	(1,653,680)	(1,481,427)
<b>Net (liabilities)/assets</b>		<u>(27,942)</u>	<u>26,639</u>
<b>Represented by:</b>			
<b>Unrestricted funds</b>	13		
General Fund		(600,654)	(555,720)
Revaluation Reserve		548,565	554,401
		<u>(52,089)</u>	<u>(1,319)</u>
<b>Restricted Funds</b>	13	24,147	27,958
		<u>24,147</u>	<u>27,958</u>
<b>Total (deficit)/surplus</b>		<u>(27,942)</u>	<u>26,639</u>

The financial statements have been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Trustees and signed on their behalf by:

  
Theano Sakkas  
Date: 18 January 2021

The notes on pages 14 to 25 form part of these financial statements.

# **BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED (A COMPANY LIMITED BY GUARANTEE)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 August 2020**

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### **1 Accounting policies**

#### **Basis of preparation and accounting convention**

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The accounts have been prepared in £ GBP Sterling, which is the functional currency of the Charity. Monetary amounts in these financials statements are rounded to the nearest £.

The accounts have been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) Second Edition issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102 March 2018) and the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS 102.

#### **Income**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it.

Legacies are included when the charity is advised by the personal representative of an estate that a legacy is probable and that payment will be made or property transferred and the amount involved can be quantified.

Donations are recognised when received.

Course fees are recognised when the course tuition has been provided to the student.

Rental income is recognised evenly over the term of the lease.

Other trading income is recognised when the event or activity has been provided to the customer.

#### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Resources expended includes VAT which cannot be recovered.

Raising funds consists of fundraising expenditure and allocated support costs. Charitable activities includes Tuition costs and Other Costs and support costs, including governance costs.

#### **Debtors and creditors**

Trade and Other Debtors are classified as basic financial instruments and are measured and recorded in the accounts at the initial transaction price.

Debtors and Creditors are subsequently measured at amortised cost using the effective interest rate method. Financial assets classified as receivable within one year and financial liabilities classified as payable within one year are not amortised.



# **BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED (A COMPANY LIMITED BY GUARANTEE)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 August 2020**

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### **1 Accounting policies (continued)**

#### **Tangible fixed assets**

Tangible fixed assets are included at cost with the exception of land and buildings, which are included at valuation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold Buildings	- 1% on cost
Improvements to Property	- 5% on cost
Computer Equipment	- 25% on cost
Musical Instruments	- 10% on cost
Furniture and Equipment	- 10% on cost

Depreciation is not provided on assets that are not in economic use by the year end date.

#### **Intangible fixed assets**

Intangible fixed assets represent website development costs and are included at cost. Depreciation is provided at the rate of 50% per annum to write off the asset over its estimated useful life.

#### **Taxation**

The company is exempt from corporation tax as it is a registered charity that has claimed tax exempt status.

#### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Restricted funds can only be used for particular restricted purposes within the objects of the company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in note 13 to the financial statements.

#### **Gifts in kind**

The values attributed to gifts in kind are based on a reasonable estimate of their value to the company, or the amount actually realised. Assets given for use by the company are recognised as incoming resources when receivable.

#### **Operating leases**

Rentals applicable to operating leases are charged to the Income and Expenditure Account over the life of the lease.

#### **Sale and leaseback**

Sale and leaseback arrangements where substantially the risks and rewards of ownership of the asset remain with the company are accounted for as finance arrangements in accordance with the requirements of FRS 102. The assets are retained on the company's balance sheet and the proceeds of the sale are disclosed as a liability to the purchaser.

#### **Significant management judgements and estimation uncertainties**

The significant management judgements and estimation uncertainties are:

- Impairment of fixed assets – whether management decisions or external events have caused the book value of the assets to exceed the value in use or sales value of the asset and, if they have, what adjustment should be made to the book value of the asset.
- Depreciation rates – what depreciation rate best reflects the period that the fixed asset is expected to be used within the business
- Provisions for bad debts – what level of provision reflects the amount of debtors that are anticipated at the year-end not to be collectible.

# BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED (A COMPANY LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 August 2020

### 2 Income

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
<b>Donations and legacies:</b>				
Donations	16,108	44,329	60,437	57,409
	<u>16,108</u>	<u>44,329</u>	<u>60,437</u>	<u>57,409</u>
<b>Charitable activities:</b>				
Course income	1,040,743	-	1,040,743	1,256,015
Rental income	76,620	-	76,620	110,392
Other Income	14,495	31,281	45,776	76,420
	<u>1,131,858</u>	<u>31,281</u>	<u>1,163,139</u>	<u>1,442,827</u>
<b>Other trading activities</b>				
Rental income	13,000	-	13,000	28,353
	<u>13,000</u>	<u>-</u>	<u>13,000</u>	<u>28,353</u>
<b>Total income</b>	<u>1,160,966</u>	<u>75,610</u>	<u>1,236,576</u>	<u>1,528,589</u>

Course income is considered by the Charity to be its principal source of funding, which supports the key objectives of the Charity to promote the study, knowledge, understanding and appreciation of art, music and drama.

### 3 Expenditure

	Total 2020 £	Total 2019 £
<b>Costs directly allocated to activity</b>		
Tuition costs	587,144	721,078
Other costs	22,451	44,279
<b>Support costs</b>		
Staff costs	329,637	316,767
Office costs	51,950	47,692
Outreach costs	14,117	18,644
Marketing and publicity costs	22,634	19,476
Premises costs	76,700	92,791
Professional fees	33,763	38,093
Finance costs	66,194	89,861
Depreciation	79,487	83,456
Governance	7,080	6,840
	<u>1,291,157</u>	<u>1,478,977</u>
<b>Total expenditure</b>	<u>1,291,157</u>	<u>1,478,977</u>

# BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED (A COMPANY LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 August 2020

### 4 Operating profit

This is stated after charging:	2020 £	2019 £
Trustees emoluments	-	-
Auditor's remuneration (Inc VAT)	7,080	6,840
Depreciation of tangible and intangible assets	79,487	83,456

### 5 Staff costs

	2020 £	2019 £
Wages and salaries	316,440	303,774
Social security costs and pension costs	13,197	12,993
	<u>329,637</u>	<u>316,767</u>

The average head count of staff employed during the year was:

	2020 No	2019 No
Charitable activities	21.33	20.75

No employee received employment benefits, excluding employer pension costs, of more than £60,000 during the year. (2019 – None).

No trustee received any remuneration, reimbursed expenses or other benefits in the year (2019 – None).

Employment benefits received by Key Management Personnel amounted to £61,643. (2019 - £72,774).

Tuition services are provided to customers by self-employed tutors. The fees paid to the tutors are included within tuition costs. The monthly average of tutors during the year was 92.50 (2019 - 97.25).

### 6 Intangible fixed assets

The intangible fixed asset represents the cost of a website for the Company with transactional capabilities. The total cost of the asset is £27,000. In accordance with the accounting policies of the Company, a depreciation charge of £14,040 was recorded on the intangible fixed asset in the year. The net book value of the intangible fixed asset as at the year-end is £nil (2019 - £14,040).

**BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 August 2020**

<b>7 Tangible fixed assets</b>	<b>Freehold Property</b>	<b>Improvements to Property</b>	<b>Furniture and Equipment</b>	<b>Fixtures and Fittings</b>	<b>Musical Instruments</b>	<b>Computer Equipment</b>	<b>Total</b>
<b>Cost/Valuation:</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 September 2019	1,400,000	793,843	58,528	101,230	59,076	103,899	2,516,576
Additions	-	-	-	3,121	-	-	3,121
Disposals	-	-	-	-	-	-	-
At 31 August 2020	1,400,000	793,843	58,528	104,351	59,076	103,899	2,519,697
<b>Depreciation:</b>							
At 1 September 2019	164,000	401,235	54,536	101,230	59,076	87,677	867,754
Charge for the year	14,000	39,692	3,992	3,121	-	4,642	65,447
	-	-	-	-	-	-	-
At 31 August 2020	178,000	440,927	58,528	104,351	59,076	92,319	933,201
<b>Net book value:</b>							
At 31 August 2020	1,222,000	352,916	-	-	-	11,580	1,586,496
At 31 August 2019	1,236,000	392,608	3,992	-	-	16,222	1,648,822

The fixed assets are used for direct charitable purposes. The Triodos loan is secured by a fixed charge on the Conservatoire's Freehold Property (See Note 11). The freehold property, which has a cost of £697,927, was valued by Martin deVarga at £2,760,000 in December 2019.

# BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED

## (A COMPANY LIMITED BY GUARANTEE)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 August 2020

<b>8</b>	<b>Debtors</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Trade debtors	88,144	153,805
	Prepayments	2,722	505
	Other debtors	200	420
		<hr/>	<hr/>
		91,066	154,730
		<hr/>	<hr/>
<b>9</b>	<b>Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Secured bank loan	-	-
	Other loans - Secured	18,752	47,731
	Trade creditors	78,285	64,277
	Taxation & social security	8,326	5,396
	Accruals	9,684	9,556
	Other creditors	49,278	52,691
	Deferred income	276,724	381,877
		<hr/>	<hr/>
		441,049	561,528
		<hr/>	<hr/>
<b>10</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Bank loan 1-2 years	57,585	45,351
	Other loan – Secured – 2-5 years	185,337	164,490
	Other loan – Secured – Over 5 years	1,210,758	1,071,586
	Sale and leaseback liability	200,000	200,000
		<hr/>	<hr/>
		1,653,680	1,481,427
		<hr/>	<hr/>

The sale and leaseback liability relates to a sale and leaseback on a parcel of land adjacent to the Conservatoire's premises. The Conservatoire sold the land for £200,000 and entered into 99 year lease on the land for an annual rental of £1, with an option to repurchase the land at the higher of £200,000 or the market value of the land at the date the purchase option is exercised less 10%. The £200,000 sale proceeds are, under FRS102, disclosed as a creditor falling due after more than one year.

<b>11</b>	<b>Secured loans</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Bank loan	-	-
	Other loan	1,472,432	1,329,158
		<hr/>	<hr/>
		1,472,432	1,329,158
		<hr/>	<hr/>

The other loan as at the 31 August 2020 is secured by a fixed charge on certain of the Conservatoire's Freehold Properties. The loan bears interest at 3% above the Bank of England Base Rate with a minimum rate of 3.5% and is repayable in monthly instalments with a final payment in December 2038.

# BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED (A COMPANY LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 August 2020

12	Analysis of net assets between funds	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
	Fund balances are represented by:				
	Tangible/intangible fixed assets	1,586,496	-	1,586,496	1,662,862
	Current assets	456,144	24,147	480,291	406,732
	Total liabilities	(2,094,729)	-	(2,094,729)	(2,042,955)
		(52,089)	24,147	(27,942)	26,639
13	Movement in funds	B/fwd £	Net Movement in Funds £	Transfer Between Funds £	C/fwd £
	<b>Unrestricted funds</b>				
	General fund	(555,720)	(50,770)	5,836	(600,654)
	Revaluation reserve	554,401	-	(5,836)	548,565
	Total unrestricted funds	(1,319)	(50,770)	-	(52,089)
	<b>Restricted funds</b>				
	Developing Young Potential Fund	26,502	(2,355)	-	24,147
	Outreach Fund	1,456	(1,456)	-	-
	Total restricted funds	27,958	(3,811)	-	24,147
	Total funds	26,639	(54,581)	-	(27,942)

Transfers from unrestricted funds to restricted funds are made when income has been forgone which was funded by the restricted fund.

### Developing Young Potential Fund (formerly the Bursary Fund)

Funds to offer disadvantaged or particularly talented bursary students financial support towards the fees charged for their tuition. Donations and funds raised from events are used to provide this support.

### Outreach Fund

Representing the balance of the funding received from the Andrew Lloyd Webber Foundation for outreach activity.

# BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED (A COMPANY LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 August 2020

### 14 Taxation

The nature of the income received and the company's charitable activities means that no corporation tax liability arises on the results for the year. No VAT is recoverable on inputs or payable on outputs as the Company is not required to be registered for VAT.

### 15 Ultimate control

The Company is under no overall control, it is administered by the trustees.

### 16 Operating leases

	2020 £	2019 £
Within one year	-	-
Within 2 to 5 years	-	-
Over 5 years	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

### 17 Related Party Transactions

No trustee received any remuneration, reimbursed expenses or other benefits in the year (2019 – None).

Fees of £nil (2019 - £4,600) were charged to the Company by Meridian Corporate Consulting Ltd, the sole director of which, Neil Harris, was the Head of Finance for the Company. As at the 31 August 2020 a liability of £nil (2019 - £nil) was payable to Meridian Corporate Consultancy Ltd.

### 18 Going Concern

The net deficit in the year was £54,581 and the Company has a deficit on reserves as at the 31 August 2020 of £27,942.

As at the 31 August 2020 the Company had cash at bank and in hand of £389,225, current assets of £480,291 and current liabilities of £441,049. Net current assets were £39,242. After adjusting for the deferred income balance of £276,724, which represents future income rather than a current liability, the Company has net current assets of £315,966.

The total borrowings of the Company of £1,472,331 are secured on the Company's freehold property and have repayment terms of 19 years.

# **BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED (A COMPANY LIMITED BY GUARANTEE)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 August 2020**

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### **18 Going Concern (continued)**

The trustees believe that they are justified in preparing accounts on a going concern basis as the strategy and financial plan for the Company means that the Company has a realistic prospect of generating sustainable profits, generating positive cash flows and repaying its borrowings. In reaching this conclusion the trustees have taken into account the following points:

- The company demonstrated the ability to generate surpluses in the 2018 and 2019 financial years. The loss in the current year is due to the impact of the building closure due to the government Covid regulations. The company has implemented a Covid recovery plan to respond to the financial challenges generated by this closure.
- The company borrowed an additional £175,000 in the year to provide the cash resources to support the charitable operations while the Covid recovery plan is implemented.
- In October 2020 the company was awarded £228,000 by Arts Council England from the Culture Recovery Fund. This funding is to replenish the reserves of the company and provide resources to enable the Covid recovery plan to be implemented.
- The unaudited budget for the year ending 31 August 2021 indicates an operating profit of £254,256, including the Culture Recovery Fund grant, a profit after finance costs of £189,353 and a net profit after depreciation of £115,189.
- The monthly cash flows for the year ending 31 August 2021 indicate that the Company will be able to maintain adequate cash reserves to be able to meet operating liabilities as and when they fall due over that period.
- The Company is currently funded with a 19 year loan facility.
- The Company holds title to freehold property which has been valued at £2.76 million, providing sufficient security for current and future borrowings.

Based on the above position the trustees are satisfied that the Company has adequate resources to enable the Company to meet its commitments as they fall due and therefore the financial statements have been prepared on a going concern basis.

### **19 Post balance sheet events**

The ongoing Covid 19 restrictions on social distancing put in place by the government in order to restrict the spread of the Coronavirus had had a continuing impact on the ability of the Conservatoire to deliver its full range tuition and group courses. The impact of these restrictions are considered to represent non-adjusting post balance sheet events.



# BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED (A COMPANY LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 August 2020

### 20 Comparative information

Income and Expenditure account - 2019	Unrestricted Funds £	Restricted Funds £	Total 2019 £
<b>Income from</b>			
Donations and legacies	-	57,409	57,409
Charitable activities	1,442,827	-	1,442,827
Other trading activities	28,353	-	28,353
<b>Total income</b>	<b>1,471,180</b>	<b>57,409</b>	<b>1,528,589</b>
<b>Expenditure on</b>			
Charitable activities	1,457,259	21,718	1,478,977
<b>Total expenditure</b>	<b>1,457,259</b>	<b>21,718</b>	<b>1,478,977</b>
<b>Net (expenditure)/income</b>	<b>13,921</b>	<b>35,691</b>	<b>49,612</b>
<b>Transfers between funds</b>	<b>29,698</b>	<b>(29,698)</b>	<b>-</b>
<b>Net incoming resources and net movement in funds</b>	<b>43,619</b>	<b>5,993</b>	<b>49,612</b>
<b>Reconciliation of funds</b>			
Total (deficit)/funds at 1 September	(44,938)	21,965	(22,973)
<b>Total (deficit)/funds at 31 August</b>	<b>(1,319)</b>	<b>27,958</b>	<b>26,639</b>

All incoming resources and resources expended derive from continuing activities.

**BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 August 2020**

**20 Comparative information (Continued)**

**Incoming resources - 2019**

	<b>Unrestricted 2019 £</b>	<b>Restricted 2019 £</b>	<b>Total 2019 £</b>
<b>Income from</b>			
<b>Donations and legacies</b>	-	57,409	57,409
	-	57,409	57,409
<b>Charitable activities:</b>			
Course income	1,256,015	-	1,256,015
Rental income	110,392	-	110,392
Other Income	76,420	-	76,420
	1,442,827	-	1,442,827
<b>Other trading activities</b>			
Rental income	28,353	-	28,353
	1,471,180	57,409	1,528,589

**Analysis of net assets between funds - 2019**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2019 £</b>
Fund balances are represented by:			
Tangible fixed assets	1,662,862	-	1,662,862
Current assets	378,774	27,958	406,732
Total liabilities	(2,042,955)	-	(2,042,955)
	(1,319)	27,958	26,639

**BLACKHEATH CONSERVATOIRE OF MUSIC AND THE ARTS LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 August 2020**

**20 Comparative information (Continued)**

<b>Movement in funds 2019</b>	<b>B/fwd £</b>	<b>Net Movement in Funds £</b>	<b>Transfer Between Funds £</b>	<b>C/fwd £</b>
<b>Unrestricted funds</b>				
General fund	(605,175)	43,619	5,836	(555,720)
Revaluation reserve	560,237	-	(5,836)	554,401
<b>Total unrestricted funds</b>	<b>(44,938)</b>	<b>43,619</b>	<b>-</b>	<b>(1,319)</b>
<b>Restricted funds</b>				
Developing Young Potential Fund	21,965	4,537	-	26,502
Piano Fund	-	1,456	-	1,456
Capital Works Fund	-	-	-	-
<b>Total restricted funds</b>	<b>21,965</b>	<b>5,993</b>	<b>-</b>	<b>27,958</b>
<b>Total funds</b>	<b>(22,973)</b>	<b>49,612</b>	<b>-</b>	<b>26,639</b>