More Music

MORE MUSIC IN MORECAMBE

(A COMPANY LIMITED BY GUARANTEE)

REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

MONDAY

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COMPANIES HOUSE

CHARITY NUMBER 01097929

COMPANY NUMBER 04189582

## MORE MUSIC IN MORECAMBE

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# MORE MUSIC IN MORECAMBE

## TRUSTEES' ANNUAL REPORT

## FOR THE YEAR ENDED 31ST MARCH 2020

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The Trustees are pleased to present their Annual Directors' Report together with the Financial Statements of the Charity for the year ending 31st March 2020 which have been prepared to meet the requirements for a Directors' Report and Accounts for Companies Act purposes.

The Financial Statements comply with the Charities Act 2011, The Companies Act 2006, The Memorandum and Articles of Association 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 (FRS102) (updated 2019).

### OBJECTIVES AND ACTIVITIES

The objectives of the Charity as set out in the organisation's Memorandum of Association are to:

- Promote the advancement of public education in relation to music and related arts throughout the UK, particularly in Lancashire, and;
- Provide opportunities for people of all ages including those who are disabled or who have special needs to experience, enjoy and perform music.

More Music has a general aim to contribute to life throughout Lancashire.

Each year our Trustees review our objectives and activities to ensure they continue to reflect our aims. In carrying out this review the Trustees have considered the Charity Commission's guidance on public benefit and when planning our future activities.

### HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT

The Charity carries out a wide range of activities in pursuance of its charitable aims. The Trustees consider that these activities, summarised below, provide benefit to those with whom we work directly and to the wider public.

More Music is a valuable educational and recreational resource to all in our local community.

More Music is a community music and education charity based in the West End of Morecambe, Lancashire. We are one of the longest running and most highly regarded community music and education organisations in the UK providing a year-round programme that covers a breadth of music making activity and involves people of all ages and all backgrounds. We have been described as 'game-changers through music' and this is widely recognised regionally, nationally and internationally.

More Music has more than 25 years' experience of delivering successful projects that demonstrate flexibility, imagination, partnership development and connection to communities.

We live in a society where there is inequality of opportunity and where access to the arts is polarised along class and social lines that can reinforce difference.

We believe that the power of consumerism, the lack of awareness of global issues and social inequalities drive individualism rather than community cohesion.

Our vision is a society where access to, and engagement with arts and culture transforms lives and communities.

Our mission is to build confidence and spirit in individuals and communities through creative arts activities, particularly music.

## ACHIEVEMENTS AND PERFORMANCE

This year ended in a realm of uncertainty with the sudden closure of the building due to the COVID-1919 pandemic and a trustees' meeting that determined that a staff restructure at senior level would be necessary for the sustainability of More Music.

The ongoing challenges have been largely financial, the key struggle to maintain a building and a core team remains difficult in the face of continued austerity policies. Despite this we have developed meaningful new partnerships and attracted new funding.

It is in these unprecedented times that this report reflects on a period that was both challenging, and in many ways, successful.

The trustees and staff have worked hard and devoted many hours of time and thinking to bring More Music to this current position.

Our mission and vision remained constant and aligned with our current business plan and our impact defined in terms of:

- community pride and cohesion,
- improved wellbeing,
- increased opportunities for people across the social spectrum including people from diverse communities and those with different needs,
- inspirational partnerships and excellent artistic projects that support cultural development and interaction
- Improving employability for artists, arts managers and young people through the teaching and sharing of social, musical, digital and professional skills.

### Community pride and cohesion

We remain committed to developing our local relationships and to working with local people and agencies to make a positive difference to our immediate community. This ambition also reaches beyond Morecambe and is reflected in the work we have delivered in other communities in Lancashire.

Despite the uncertain circumstances we delivered a full year of activity, excellent participatory music-making, community events, performances and workshops.

Highlights included the development of That Spring Thing with increased attendance and engagement by local residents at the small-scale event and a new partnership with volunteers from Morecambe Bloomers who have committed to developing and maintaining our garden all year- round. This is much appreciated by More Music's neighbours and has inspired others to take interest in improving neglected and unloved spaces, an issue that is very important to the people that live here. The opportunity to socialise enables residents to get to know their neighbours and is important in terms of building community cohesion.

In partnership with a new local initiative Creative West End funded by Creative Civic Change we delivered two high quality community markets and connected them to key More Music events; the date of the lantern festival was shifted and became part of an autumn market and Polska a cultural evening led by a group of Polish people which celebrates St Andrew in November became the theme for a very successful winter market. Our relationship with the Eden North project enabled us to bring Bethany Well's excellent WARMTH – a sauna in a horsebox to the event which was completely wonderful and universal in its appeal. These events bring people together in an informal and celebratory context and promote understanding, friendship help to address issues of loneliness and isolation.

A commission from the National Festival of Making led to the creation of a new choir with a membership representing the diverse communities of Lancashire, developing understanding and friendships between different cultures through sharing songs and singing together.

**Improved wellbeing**

More Music's building is a much-used community hub; in addition to the work we deliver ourselves we provide a space for ACE (Arts Council England young people counselling services, the baby weighing clinic, community meetings, access to employment training courses. A Dance for Parkinson's class is held in our building, it is also the venue for a ground-breaking project for people with dementia and their families called Bring Me Laughter delivered by Lancaster based partners the Dukes. Our own regular sessions included the open access Baybeat band (50 people per week) a folk class, an early years' music session, 3 sessions for adults with learning disabilities a Chinese orchestra, 5 sessions for young people plus quarterly gigs. There is increasing evidence that demonstrates the positive impact of engaging in creative activity on health and well-being so this programme is a vital connection to the wider community for many participants.

Funding from Spirt of 2012 enabled the development of a pilot Singing for Health project; the "Seagull and the Chameleon "and the opportunity to build and grow our partnership with the health sector, in particular BMG (Bay Medical Group) and CAHMS (Children and Adolescent Mental Health Services). This was a process led, action research project supported by the International Centre for Community Music at the University of York and St John. The Seagull Café sessions were an immediate success, these were designed for older people experiencing loneliness and isolation and low-level health issues. The impact on our partnership with health sector staff has been positive and with a number of unexpected outcomes such as the regular attendance at the weekly gatherings by BMG's care coordinator, who was able to connect with patients and experience for herself the positive feelings of singing in a group setting.

Our Early years programme focuses on play, speech development and building bonds between parents and children using innovative artistic interventions such as Magic Islands in Space.

Our work with young people throughout the county is broad ranging, offering opportunities for children and young people to experience culture and creativity, and make music together. There is growing evidence of the importance of engaging in meaningful activity in contributing to positive mental health e.g. Bay Youth Voices, the regionally acclaimed LYVE (Lancashire Youth Vocal Ensemble) choir, Baybeat Street Carnival Band and Stages. While providing year-round diversionary and creative activities for young people these projects offer opportunities to learn new skills, make new friends, develop confidence in self-expression and to achieve an accredited qualification through the Arts Award programme and are often the gateway to progression to other activities and to further education. New for this year was Chameleon a cabaret event hosted at More Music, showcasing the achievements though film, music, dance and mind reading. This was an extraordinary event, produced by young people from a range of partnership organisations that celebrated resilience and aimed to reduce the stigma associated with mental health issues.

**Increased opportunities for people across the social spectrum including people from diverse communities and those with different needs**

More Music is committed to inclusion and we continue to challenge inequality and lack of access to the arts. We focus our efforts where we can make most difference in terms of progression routes and infrastructure development.

Our work progressed across Lancashire with successful projects in communities identified as Cold Spots, these include Blackburn, Preston and Burnley. We work as part of a strategic partnership Lancashire Music Education Hub to ensure that access to inclusive music making is available to all young people in the county.

The National Festival of Making in Blackburn commissioned More Music's Artistic Director Loz Kaye to direct a new vocal initiative to establish a choir of singers recently arrived in the northwest as refugees and asylum seekers. The experience was optimistic, enabling participants to meet others, learn songs from different cultures and to perform at the event.

In January we delivered in partnership, with local faith and voluntary organisations, a week-long programme commemorating Holocaust Memorial Day, the theme was "Standing Together" culminating in a lantern lit event at Lancaster Town Hall. This included some new pieces, poetry and songs, created and performed by young people from the Lancaster district, attended by members of the City Council and local MP Cat Smith. With the support of the Lancashire County Council Syrian Refugee Support Scheme we were lucky to hear testimony from 3 Syrian refugees about their flight from the besieged city Homs and their experiences as refugees and asylum seekers in the UK.

We continued to develop our work with young people at Unique Kidz and Co, a local charity that provides out of school activities for children and young people. The highlight of this year's work, was a live performance of a new band, Unique Beatz at More Music's youth led arts festival. Our work with SEN (Special Educational Need) groups Royal Cross (a school for deaf children) Preston, Pear Tree, Oliver House and Ridgewood in Burnley was maintained across the county until the enforced closure of schools at the end of March due to COVID-19. We also completed two successful songwriting projects in schools that have significant numbers of pupils from the Gypsy Roma Traveller community to encourage understanding and integration. "Genuinely, our kids loved it and so did I... What you offer is just so good for our pupils and especially for our children with Gypsy heritage."

More Music's building is a much-used community hub; in addition to the work we deliver ourselves we provide a space for ACE (Arts Council England) young people counselling services, the baby weighing clinic, community meetings and access to employment training courses. Our own regular sessions included the open access Baybeat band (50 people per week) a folk class, an early years' music session, 3 sessions for adults with learning disabilities a Chinese orchestra, 6 sessions for young people plus quarterly gigs. There is increasing evidence about the positive impact of engaging in creative activity on health and well- being and this programme is also a vital connection to the wider community for many participants.

**Inspirational partnerships and excellent artistic projects that support cultural development and interaction**

In addition to our extensive participatory work inside and outside the building we presented an eclectic programme of excellent music from artists and bands from around the world.

Highlights of this programme:

Catch the Wind drew thousands to Morecambe for a weekend of sunshine, kite flying, music and street theatre. The event was supported by Morecambe's Business Improvement district, which facilitated an expansion of the festival, and engaged the local business, which benefitted from the increased visitor numbers. We developed a new partnership with Preston City Mela, which enabled us to bring a programme of South Asian arts, music and dance to Morecambe, developing opportunities for emerging artists and continuing our ambition to extend the diversity and multicultural aspects of the event. We were supported at this event by international intern Sally Tam from the University of Hong Kong who spent 6 weeks at More Music

Imuran - an Algerian Tuareg desert rock band - who we'd been trying to book for three years. In partnership with Lancaster and Morecambe City of Sanctuary we were able to arrange transport and free tickets for refugees and asylum seekers living locally. The event was well attended and enjoyed by a diverse audience.

Gruff Rhys at Lancaster Priory, performing to a sold out (he restricted the numbers to 150 for a more intimate experience). This was programmed in partnership with Lancaster Arts and Off the Beaten Track. Dancing in the aisles!

Cinclus Cinclus – a new UK/Norway jazz project for children which explores how improvisation can encourage a young audience to be simultaneously co musicians and listeners. This was a cross-project residency for More Music (Education, Events, Workforce Development) bringing a new audience to the building for an interactive, immersive, risky, exploratory show. This was a good example of a residency for us to build on and proving that there's an audience for family friendly daytime gigs.

900 local school children attended the performances.

**Improving employability for artists, arts managers and young people through the teaching and sharing of social, musical, digital and professional skills**

*Workforce development*

We continue to develop our established focused networks so that they remain viable and useful in terms of sharing practice around inclusive music making across the north west, these include e.g. SEND Teachers Forum and the Children in Challenging Circumstances network which resulted in a second national conference "Reaching Out" with excellent high-profile speakers and delegates from across the country.

Our Innovate scheme awards small amounts of funding to emerging artists and new projects – two grants have been awarded this year, to Jubacana and Tramshed. Jubacana's project was to develop and expand the skills of their music leaders to work with younger children. Tramshed's was to develop new young music leaders to deliver an inclusive theatre workshops for adults living with dementia.

Young Leaders; a group of More Music participants who meet weekly to plan and programme events including ViVa La Youth an annual arts festival taking place in July. Young people develop planning, programming, project management skills and how to work as part of a team. The countywide version of this group, Amplify, is delivered in partnership with Lancashire Music Service and Blaze, a project that works across Lancashire to develop the next generation of cultural leaders and artists. Amplify comprises of young people from diverse musical backgrounds. In the Summer term they designed and distributed an online survey for young people and teachers to research opinions about music education in Lancashire, which gathered 400 responses. They presented their findings to the LMH (Lancashire Music Hub) board in July 2019.

Girls Can was a one-day event for International Women's day on 8 March 2020, aimed at 12-21-year-old female musicians with creative opportunities including song writing, fanzine making, social media workshops and music production.

At the AGM in September the board welcomed two new trustees, both long standing previous participants at More Music. Their appointments were the outcome of a project that looked at democracy and responsibility which was supported by Sam Ud-Din, co-chair of More Music's Board of Trustees.

More Music is a Living Wage employer and committed to ensuring pay arrangements are fair, consistent, and transparent across the organisation. This is implemented through an annual review of pay policy, currently reviewing pay scales.

*Strategic Working*

More Music is funded by ACE and by Youth Music to develop work across the county and beyond to advocate and demonstrate the importance and transformational value and impact of community music. We continue to play a pivotal role in the establishment of a northern network of Youth Music funded projects as part of its commitment to building a musically inclusive England.

As pioneers in the community music field we continue to advocate for the power of this work on national and international platforms, including at the MARCH network at Snape Maltings in January.

The organisation plays a key role in many local strategic networks, contributing to the development and progress of Lancaster Arts Partners, and the Lancashire Music Hub.

More Music is committed to learning and has invested in research to ensure we reach the widest possible audience, and those who are least engaged with our work or excluded from cultural opportunities because of their circumstances. We have an established partnership with the ICCM (International Centre for Community Music) at the University of York and St John who are co funders of our PhD candidate.

Our relationship with the local Children and Young People's Mental Health Champions Network has progressed significantly, we have undertaken training and worked in partnership to develop and deliver significant projects that support young people in our district such as the Chameleon cabaret event. -

More Music is a founding member of the Local Cultural Education Partnership; a multi-sector partnership group, including representatives from culture and education, who are working together to create a plan to join-up and improve cultural education with children and young people in the area. Over the course of this year the LCEP has developed its own identity as the Culture Co-op and developed a strategic partnership with Lancaster University which will fund a 2-year initiative "Our Place in the World" designed to enable working-class, vulnerable and disadvantaged young people investigate, interrogate and define their place in society by participation in high quality cultural and creative arts-based interventions.

## FINANCIAL REVIEW

We completed our second year of funding programmes from Arts Council England (ACE) and Youth Music Fund C, and we secured £21,721 in match funding from the final year of the ACE Catalyst Evolve programme. Our greater focus on health and wellbeing activities has been generously supported by FC Scott, pilot funding from Spirit of 2012 and a number of smaller charitable trusts. Successful continuation funding will allow us to continue and develop this work into 2021 and beyond.

More Music continues to broaden & deepen the range of income sources to ensure a sustainable future. Several areas have exceeded targets, including ticket sales and building hires, which have seen a 52% increase from the previous year. Similarly, our workshops, classes and performances have seen a 16% increase.

In these times of austerity, the challenge of bringing in donations and partnership projects has proven difficult, resulting in a 24% and 32% drop in income from these sources. Having the capacity to maintain fundraising activities and build those relationships is a hard balance, especially when some of our key festivals have been cancelled due to COVID-19.

Total income for the year amounted to £577,139, a 4% drop in total income from the previous year, and expenditure for the year was £604,433, up slightly on the previous year. The resulting deficit of £27,294 has had an impact on our ability to build our reserves, and plans to restructure the organisation are well underway.

Our cashflow position was challenging in 19/20, but with careful planning and utilisation of private loans and overdraft facilities, we have been able to weather the storm.

### Reserves policy

The Trustees have reviewed the development of the reserves fund in view of the main risks to the organisation. They have established a policy whereby the unrestricted funds not committed should be equivalent to six weeks running costs with an ambition to eventually reach three months to allow More Music to maintain its charitable activities should there be any short-term delays in funding.

Although the current level of cash reserves is short of the target the strategy remains to create increased reserves through planned operating surpluses and a review of the activity programme.

## PRINCIPAL RISKS AND UNCERTAINTIES

Our principle risks have been assessed and revised as not being able to deliver our programme of activities, under COVID-19 restrictions, as agreed with our funders, and the subsequent loss of earned income. We have mitigated against this risk by successfully accessing local business grants and claiming the HMRC Coronavirus Job Retention Scheme grants for furloughed employees. Funders have also been very supportive with ACE Emergency funding and upfront grant instalments, which has improved our cashflow position.

There are so many unknowns as the COVID-19 pandemic continues to wreak havoc, including whether there will be limitations on our ability to deliver the programmes we have agreed with funders. This may in the long term require us to further review our programme and our staffing structure.

## FUTURE PLANS

Responding to the COVID-19 pandemic will feature significantly in our plans for the year ahead. At the forefront of our planning will be maintaining our commitments to our funders, participants and community, while securing the future for the organisation. We believe the need for our work will be greater than ever as the world recovers.

Our current Business Plan will guide the strategic direction of the organisation with a planned review which will take into consideration the fluctuating circumstances.

The Health and Wellbeing strand of our work will be a focus for the next year. We have established positive partnerships and the potential to translate these into meaningful work and income streams.

We will deepen and extend our work in the community of the West End of Morecambe.

We will continue to work with Tarnside, a consultancy firm, to develop our income generation strategy and seek new funding opportunities as the public sector continues to decline.

This year will see the establishment of a new staffing structure, which will be implemented to reduce overheads.

We will maintain and develop our commitment to inclusion and diversity and seek opportunities to increase opportunities to work with people who are marginalised

We remain committed to article 27 of the Universal Declaration of Human Rights, that gives us all the right to participate in the cultural life of the community and to enjoy the arts.

## STRUCTURE GOVERNANCE AND MANAGEMENT

### Governing Document

More Music in Morecambe is a Company Limited by Guarantee governed by its Memorandum and Articles of Association dated 29th March 2001.

More Music is constituted as a charitable trust registered with the Charity Commission on 10th June 2003 under Charity number 01097929.

### Trustees and Officers

The Directors of the charitable company (The Charity) are its Trustees for the purpose of Charity Law.

The Trustees and officers serving during the year were as follows:

**Board of Trustees**

| | |
|---|---|
| Steven Varden | |
| Elizabeth Neat | Co-Chairperson |
| Samy Ud-Din | Co-Chairperson |
| Andrew Stratford | (resigned 15/09/2020) |
| Lauren Zawadzki | |
| Amanda Quigley | |
| Felicity Harris | (appointed 02/04/2019) |
| Joe Haslam | (appointed 11/11/2019) |
| Joseph Riglar | (appointed 11/11/2019) |
| Anji Stokes | (appointed 03/11/2020) |

**Secretary**
Kathryn MacDonald

**Key Management**

| | |
|---|---|
| Laurence Kaye | Artistic Director (redundancy 26/07/2020) |
| Kathryn MacDonald | Communities and Engagement Director |
| Serena Mansfield | Finance and Operations Director |

**Recruitment and Appointment of Trustees**

The existing Trustees are responsible for the recruitment of new Trustees. In selecting new Trustees, we seek to identify people who have awareness and understanding of the work of the Charity in its broadest sense. The Trustees seek to ensure that the needs of the various groups engaged in the activities of More Music are appropriately reflected through the diversity of the Trustee body. Potential Trustees are invited to attend Trustees' meetings as observers and are given more details of the Charity's aims and activities and, if all agree they are then proposed as new Trustees at the subsequent meeting.

Following appointment there is an induction process in which new Trustees are briefed on their legal obligations under charitable law. Trustees are given copies of the trust deed and a guide to the policies and procedures adopted by the Charity. Additionally, a number of publications from the Charity Commission are also provided including the guidance on charities and public benefit. This ensures that new Trustees are aware of the scope of their responsibilities under the Charities Act.

**Related Parties**

None of our Trustees receive remuneration or other benefit from their work with the Charity. Trustees are able to claim expenses for travel. They can also receive payment for other work when appropriate if this is declared and approved by the other Trustees.

**Risk Management**

The Trustees have assessed the risks the Charity faces and are satisfied that there are systems in place or arrangements are in hand to manage the risks that have been identified. The risk management strategy comprises:

- An ongoing review of the risks the Charity may face
- The establishment of systems and procedures to mitigate those risks identified in the plan
- Financial risks are minimised internally by the implementation of procedures for authorisation of all transactions and projects
- A key element in the management of financial risk is the development of a reserve fund

- Insurance cover is in place. Appropriate Disclosure and Barring (DBS) checks supported by regularly reviewed policies are made for all staff. All policies are reviewed regularly to ensure that they meet the needs of the Charity and are compliant with changing legislation

**Organisational Structure**

The Charity Trustees are responsible for the strategic direction and policy of the Charity. The Trustees meet quarterly to assist in the smooth running of the Charity's work.

There is a subcommittee currently set up for finance which meets quarterly and reports back with its recommendations for the full meetings of the Trustees. Day to day responsibility for the administration and the provision of services has been delegated to the Leadership Team.

An effective line management and appraisal system ensures that staff are managed strictly in accordance with the Charity's policies and procedures and the management are aware of the training and developmental needs of the staff. Senior staff are accountable to the Trustees and their performance monitored and appraised by the Trustees.

**REFERENCE AND ADMINISTRATIVE DETAILS**

| | |
|---|---|
| Registered Office | The Hothouse, 13 -17 Devonshire Road, Morecambe, Lancashire, LA3 1QT |
| Auditors | CWR Chartered Accountants & Statutory Auditors, 20 Mannin Way, Lancaster Business Park, Caton Road, Lancaster, LA1 3SW |
| Bankers | The Co-operative Bank plc, 1 Balloon Street, Manchester, Greater Manchester, M60 4EP |

## TRUSTEES' RESPONSIBILITIES

### Trustees' responsibilities in relation to the financial statements

The Charity Trustees (who are also the Directors of More Music in Morecambe for the purposes of Company Law) are responsible for preparing a Trustees' Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

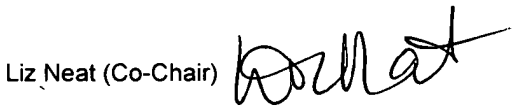
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

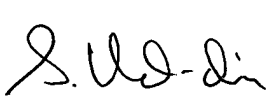
### Statement of disclosure to auditors

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
- The Trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Report was approved by the Trustees and authorised for issue on 03-11-2020 and are signed on their behalf by:

Ms Liz Neat (Co-Chair) 

Mr Sam Ud-Din (Co-Chair) 

**Independent auditor's report to the members of More Music in Morecambe**

**Opinion**

We have audited the financial statements of More Music in Morecambe (the "Charity") for the year ended 31st March 2020 which comprise a statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31st March 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity 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 the provisions available for small entities, in the circumstances set out in note 1 to the financial statements, 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 Charity'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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise 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 material 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.

**Opinions 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) has been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters in relation to which 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

**Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees 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 they 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 Charity'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 Charity 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 an auditor's report 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. This description forms part of our auditor's report.

**Use of our report**

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

Signed on behalf of CWR:

Mr Phillip Dennison FCCA ACA (Senior Statutory Auditor)

CWR
Chartered Accountants & Statutory Auditor
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date: 11/12/20

## MORE MUSIC IN MORECAMBE

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

## FOR THE YEAR ENDED 31ST MARCH 2020

| | Note | Unrestricted funds £ | Restricted funds £ | Total funds 2020 £ | Total funds 2019 £ |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Donations and legacies | 2 | 6,830 | 6,000 | 12,830 | 16,803 |
| Charitable activities | 6 | 313,108 | 202,374 | 515,482 | 529,586 |
| Other trading activities | 3 | 31,656 | - | 31,656 | 23,992 |
| Investments | 4 | 48 | - | 48 | 13 |
| Other | 5 | 17,123 | - | 17,123 | 33,248 |
| **Total** | | 368,765 | 208,374 | 577,139 | 603,642 |
| **Expenditure on:** | | | | | |
| Fundraising | 7 | 9,999 | 5,352 | 15,351 | 6,298 |
| Charitable activities | 8 | 363,019 | 226,063 | 589,082 | 596,339 |
| **Total** | | 373,018 | 231,415 | 604,433 | 602,637 |
| **Net income** | | (4,253) | (23,041) | (27,294) | 1,005 |
| Transfers between funds | | - | - | - | - |
| **Net movement in funds** | | (4,253) | (23,041) | (27,294) | 1,005 |
| **Reconciliation of funds:** | | | | | |
| Total funds brought forward | | 120,341 | 45,671 | 166,012 | 165,007 |
| **Total funds carried forward** | 21 | 116,088 | 22,630 | 138,718 | 166,012 |

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

All income and expenditure derive from continuing activities.

## MORE MUSIC IN MORECAMBE
## BALANCE SHEET
## AS AT 31ST MARCH 2020

| | Note | | Total 2020 £ | Total 2019 £ |
|---|---|---|---|---|
| **Fixed assets** | | | | |
| Tangible assets | 14 | | 207,250 | 217,229 |
| **Current assets** | | | | |
| Stock | | 703 | | 1,035 |
| Debtors | 15 | 25,780 | | 28,325 |
| Cash at bank and in hand | | 344 | | 27,482 |
| | | 26,827 | | 56,842 |
| Creditors: amounts falling due within one year | 16 | (75,045) | | (73,214) |
| **Net current liabilities** | | | (48,218) | (16,372) |
| **Total assets less current liabilities** | | | 159,032 | 200,857 |
| Creditors: amounts falling due in more than one year | 18 | | (20,314) | (34,845) |
| **Net assets** | | | 138,718 | 166,012 |
| **Funds of the charity:** | | | | |
| Unrestricted funds | 21 | | 116,088 | 120,341 |
| Restricted funds | 20 | | 22,630 | 45,671 |
| **Total charity funds** | | | 138,718 | 166,012 |

These financial accounts have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial accounts were approved by the Trustees and authorised for issue on 03-11-2020 and are signed on their behalf by:

Ms Liz Neat (Co-Chair) Mr Sam Ud-Din (Co-Chair)

Company registration number: 04189582

The notes on pages 18 to 30 form part of these accounts.

## MORE MUSIC IN MORECAMBE
## CASH FLOW STATEMENT
## AS AT 31ST MARCH 2020

| | Note | Total 2020 £ | Total 2019 £ |
|---|---|---|---|
| **Net cash (used)/generated in operating activities** | | **(13,601)** | 9,197 |
| **Cash flows from investing activities** | | | |
| Interest income | | **48** | 13 |
| Purchase of tangible fixed assets | | **(4,130)** | (5,207) |
| **Net cash used in investing activities** | | **(4,082)** | (5,194) |
| **Cash flows from financing activities** | | | |
| Repayment of borrowing | | **(13,263)** | (11,851) |
| **Net cash used in financing activities** | | **(13,263)** | (11,851) |
| **Decrease in cash and cash equivalents in the year** | | **(30,946)** | (7,848) |
| Cash and cash equivalents brought forward | | **27,482** | 35,330 |
| **Cash and cash equivalents carried forward** | **22** | **(3,464)** | 27,482 |

**Reconciliation of net movement in funds to net cash flow from operating activities**

| | 2020 £ | 2019 £ |
|---|---|---|
| Net movement in funds | **(27,294)** | 1,005 |
| Add back depreciation charge | **14,109** | 11,750 |
| Deduct interest income shown in investing activities | **(48)** | (13) |
| Decrease in stock | **332** | 237 |
| Decrease in debtors | **2,545** | 15,425 |
| Decrease in creditors | **(3,245)** | (19,207) |
| **Net cash used/(generated) in operating activities** | **(13,601)** | 9,197 |

## 1 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year.

(a) Basis of preparation

The financial statements have been prepared in accordance with 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 (FRS102) (Charities SORP (FRS102) 2019), the Charities Act 2011 and the Companies Act 2006.

More Music in Morecambe meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

During the audit, due to the work being carried out by the company to improve sustainability, sufficient and appropriate evidence has been obtained to support the Trustees view that the Charity Accounts should be prepared on a Going Concern basis.

(b) Fund accounting

- Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.
- Designated funds are unrestricted funds earmarked by the board for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms on an appeal.

(c) Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

The following specific policies are applied to particular categories of income:

- Voluntary income and donations are included in incoming resources when they are receivable.
- Grants are credited to the income and expenditure account as income in the year to which the grant is related.
- Grants and donations with conditions attached which must be fulfilled before there is unconditional entitlement to the resources are treated in different ways. Where meeting the conditions is within the Charity's control and there is sufficient evidence that the conditions will be met, the income is recognised. Where uncertainty exists as to whether the conditions within the Charity's control can be met the income is not recognised but deferred as a liability until certainty exists that the conditions imposed can be met.

**1 Accounting policies (continued)**

- Income from charitable trading activities is accounted for when earned.
- Investment income is included when receivable.
- Donated services and facilities are included at the value to the Charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

(d) Resources expended

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

- Costs of generating funds comprises of the costs associated with attracting voluntary income and the cost of trading for fundraising purposes.
- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.
- All costs are allocated between the expenditure categories of the SOFA (Statement of Financial Activities) on a basis designed to reflect the use of the resources. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. staff time, floor area or estimated usage.

(e) Fixed assets

With the exception of Property, Fixed assets are stated at cost less accumulated depreciation. Only additions in excess of £250 are capitalised.

During 2017 the Freehold property was revalued to market value having been subjected to a professional valuation by chartered surveyors at the request of the Co-operative Bank. This valuation has been subsequently depreciated.

Deprecation is provided at rates calculated to write off the cost over their expected useful economic lives.

The principal rates are as follows:

| | |
|---|---|
| Fixtures, fittings and office equipment | 20% straight line |
| Musical instruments and equipment | 20% straight line |
| Freehold property | 2% straight line |

(f) Volunteers, donated services and facilities

The value of services provided by volunteers is not incorporated into these financial statements.

(g) Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all cost related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

## 1 Accounting policies (continued)

(h) Debtors and creditors

Debtors and creditors with no stated interest rate and receivable and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Going concern

The COVID-19 pandemic is one of the most significant events the UK economy has to face. At the current date its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects beyond the balance sheet date unknown.

The Trustees have, with all available current knowledge, considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure are sufficient, in addition to the level of reserves for the charity, to be able to continue as a going concern.

The Trustees have concluded there is no material uncertainty and the financial statements have therefore been prepared on a going concern basis.

(j) Cash and cash equivalents

Cash balances comprise amounts held on deposit with recognised banks and building societies.

(k) Stock

Stocks consist of bar items purchased for resale and are stated at the lower of cost and net realisable value. The charity adopts a cost formula of FIFO.

(l) Loans

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently they are measured at amortised cost using the effective interest rate method, less impairment.

(m) Employee benefits

The charity operates a defined contribution pension scheme for the benefit of its employees. Contributions are expensed as they become payable.

## 2 Income from donations and legacies

| | **Unrestricted funds** | **Restricted funds** | **Total 2020** | Total 2019 |
|---|---|---|---|---|
| | **£** | **£** | **£** | £ |
| Donations | **6,830** | **6,000** | **12,830** | 16,803 |
| | **6,830** | **6,000** | **12,830** | 16,803 |

Of the income from donations and legacies received in the prior year, £13,803 was attributable to unrestricted funds and £3,000 was attributable to restricted funds.

## 3 Income from other trading activities

| | Unrestricted funds £ | Restricted funds £ | 2020 Total £ | 2019 Total £ |
|---|---|---|---|---|
| Ticket sales | **13,796** | - | **13,796** | 10,086 |
| Bar takings and merchandise | **4,238** | - | **4,238** | 5,952 |
| Hire of equipment and space | **13,622** | - | **13,622** | 7,954 |
| | **31,656** | - | **31,656** | 23,992 |

Of the income from other trading activities received in the prior year, £23,992 was attributable to unrestricted funds and £nil was attributable to restricted funds.

## 4 Income from investments

| | Unrestricted funds £ | Restricted funds £ | 2020 Total £ | 2019 Total £ |
|---|---|---|---|---|
| Bank interest | **48** | - | **48** | 13 |
| | **48** | - | **48** | 13 |

Of the income from investments received in the prior year, £13 was attributable to unrestricted funds and £nil was attributable to restricted funds.

## 5 Other income

| | Unrestricted funds £ | Restricted funds £ | 2020 Total £ | 2019 Total £ |
|---|---|---|---|---|
| Sundry Income | **7,933** | - | **7,933** | 8,313 |
| Management, service and technical fees | **4,210** | - | **4,210** | 18,385 |
| Sponsorship | **4,980** | - | **4,980** | 6,550 |
| | **17,123** | - | **17,123** | 33,248 |

Of the income from other sources received in the prior year, £33,248 was attributable to unrestricted funds and £nil was attributable to restricted funds.

## 6 Income from charitable activities

| | Unrestricted funds £ | Restricted funds £ | 2020 Total £ | 2019 Total £ |
|---|---|---|---|---|
| Grants and contracts: | | | | |
| Lancaster City Council - SLA | **11,900** | - | **11,900** | 11,700 |
| Arts Council England - NPO | **105,609** | - | **105,609** | 105,609 |
| Arts Council England - Catalyst | **38,080** | - | **38,080** | 29,032 |
| Youth Music - Fund 'C' Projects | - | **159,750** | **159,750** | 159,400 |
| Morecambe Town Council - Grants | - | **6,500** | **6,500** | 7,500 |
| Lancaster City Council - Grants | - | **2,000** | **2,000** | 4,000 |
| Spirit of 2012 – Music Challenge Fund | - | **18,801** | **18,801** | 21,148 |
| FC Scott Charitable Trust - | - | **10,000** | **10,000** | - |
| Bay Medical Group | - | **2,000** | **2,000** | - |
| VO Skelton Charity | - | **1,100** | **1,100** | - |
| Halton Lune Trust | - | **723** | **723** | - |
| West End Million | - | **500** | **500** | - |
| Nat Merriman Trust | - | **500** | **500** | - |
| Galbraith Trust | - | **500** | **500** | - |
| Lancashire County Council | - | - | - | 2,250 |
| Esmée Fairbairn Foundation | - | - | - | 7,000 |
| Round Table | - | - | - | 600 |
| EJ Thompson Charitable Trust | - | - | - | 1,500 |
| Harold & Alice Bridges Foundation | - | - | - | 1,000 |
| | **155,589** | **202,374** | **357,963** | **350,739** |
| Fees for Public Workshops, Classes & Performances | **86,751** | - | **86,751** | 75,062 |
| Income from Partners | **70,768** | - | **70,768** | 103,785 |
| Total income from charitable activities | **313,108** | **202,374** | **515,482** | 529,586 |

Income from charitable activities is spent in accordance with the terms of the agreement or contract under which it is received.

Of the income from charitable activities received in the prior year, £313,538 was attributable to unrestricted funds and £216,048 was attributable to restricted funds.

## 7 Fundraising

| | Unrestricted funds £ | Restricted funds £ | 2020 Total £ | 2019 Total £ |
|---|---|---|---|---|
| Fundraising staff costs | **9,999** | **4,703** | **14,702** | - |
| Other fundraising costs | **-** | **649** | **649** | 6,298 |
| | **9,999** | **5,352** | **15,351** | 6,298 |

Of the expenditure on raising funds in the prior year, £nil was attributable to unrestricted funds and £6,298 was attributable to restricted funds.

## 8 Expenditure on charitable activities

| | Unrestricted funds £ | Restricted funds £ | 2020 Total £ | 2019 Total £ |
|---|---|---|---|---|
| Direct charitable expenditure: | | | | |
| Freelance project workers | **46,901** | **44,663** | **91,564** | 109,699 |
| Direct staff costs | **57,920** | **112,580** | **170,500** | 161,997 |
| Venue costs | **1,537** | **1,660** | **3,197** | 4,033 |
| Hospitality | **6,269** | **2,758** | **9,027** | 10,962 |
| Travel | **9,513** | **4,459** | **13,972** | 19,852 |
| Technical and production costs | **8,222** | **11,911** | **20,133** | 15,438 |
| Marketing | **1,251** | **1,211** | **2,462** | 2,926 |
| **Total direct costs** | **131,613** | **179,242** | **310,855** | 324,907 |
| Support costs: | | | | |
| Support staff costs | **133,429** | **31,423** | **164,852** | 147,261 |
| Staff training | **917** | **294** | **1,211** | 3,510 |
| Telephone, fax & email | **3,895** | **-** | **3,895** | 3,270 |
| Stationery and office expenses | **4,245** | **-** | **4,245** | 4,340 |
| General publicity & website costs | **14,481** | **-** | **14,481** | 21,593 |
| Premises costs | **16,324** | **6,638** | **22,962** | 29,525 |
| Other sundry costs | **5,704** | **-** | **5,704** | 9,765 |
| Equipment replacement & maintenance | **5,162** | **2,594** | **7,756** | 469 |
| Depreciation | **8,237** | **5,872** | **14,109** | 11,750 |
| Recruitment costs | **-** | **-** | **-** | 770 |
| Consultancy and professional fees | **7,362** | **-** | **7,362** | 8,013 |
| **Total support costs** | **199,756** | **46,821** | **246,577** | 240,266 |

## 8 Expenditure on charitable activities (continued)

| | Unrestricted funds £ | Restricted funds £ | 2020 Total £ | 2019 Total £ |
|---|---|---|---|---|
| Governance costs: | | | | |
| Audit fees | **4,500** | - | **4,500** | 4,000 |
| Accountancy & payroll fees | **4,202** | - | **4,202** | 2,965 |
| Management and admin staff costs | **21,431** | - | **21,431** | 22,679 |
| Mortgage interest | **943** | - | **943** | 1,174 |
| Bank charges & interest | **574** | - | **574** | 348 |
| **Total governance costs** | **31,650** | - | **31,650** | 31,166 |
| **Total expenditure on charitable activities** | **363,019** | **226,063** | **589,082** | 596,339 |

Of the expenditure on charitable activities in the prior year, £407,060 was attributable to unrestricted funds and £189,279 was attributable to restricted funds.

## 9 Net income/(expenditure) for the year

| | 2020 £ | 2019 £ |
|---|---|---|
| This is stated after charging: | | |
| Depreciation | **14,109** | 11,750 |
| Auditors remuneration: | | |
| - Audit fees | **4,500** | 4,000 |
| - Accountancy and payroll services | **1,106** | 1,982 |

## 10 Analysis of staff costs and the costs of key management personnel

| | Total 2020 £ | Total 2019 £ |
|---|---|---|
| Wages and salaries | **337,200** | 301,329 |
| Social security costs | **24,339** | 22,665 |
| Pension costs | **9,946** | 7,943 |
| | **371,485** | 331,937 |

## 10 Analysis of staff costs and the costs of key management personnel (continued)

The costs are attributable as follows:

| | | |
|---|---|---|
| Direct staff | **170,500** | 161,997 |
| Support staff | **164,852** | 147,261 |
| Management and admin staff | **21,431** | 22,679 |
| Fundraising | **14,702** | - |
| | **371,485** | 331,937 |

No employee received employee benefits in excess of £60,000 (2019: Nil).

The key management personnel of the Charity comprise the Trustees, The Artistic Director, The Communities and Engagement Director and the Finance and Operations Director, whose employee benefits total £106,352 (2019: £105,732).

During the year the charity made no severance payments (2019: £903).

## 11 Staff numbers

The average monthly number of employees during the year were as follows:

| | **2020** | 2019 |
|---|---|---|
| | **No** | No |
| Direct charitable work | **10** | 12 |
| Administration and support | **6** | 6 |
| | **16** | 18 |

## 12 Related party transactions

Two Charity Trustees received remuneration for professional services during the year totalling £262 (2019: £675). Travel costs were reimbursed to two members of the Board totalling £254 (2019: £120). Two Trustees made loans to the charity in the year totalling £10,000 (2019: £nil). These are shown in other creditors. They have been fully repaid after the year end. No material donations were made by Trustees to the charity.

## 13 Corporation tax

This Charity is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 on Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

## 14 Tangible fixed assets

| | Freehold property | Musical instruments, equipment, costumes | Fixtures, fittings & equipment | Total |
|---|---|---|---|---|
| **Cost:** | | | | |
| At 1st April 2019 | 646,159 | 80,235 | 103,944 | 830,338 |
| Additions | - | - | 4,130 | 4,130 |
| **At 31st March 2020** | **646,159** | **80,235** | **108,074** | **834,468** |
| **Depreciation:** | | | | |
| At 1st April 2019 | 454,159 | 76,927 | 82,023 | 613,109 |
| Charge for the year | 4,000 | 1,247 | 8,862 | 14,109 |
| **At 31st March 2020** | **458,159** | **78,174** | **90,885** | **627,218** |
| **Net book value:** | | | | |
| **At 31st March 2020** | **188,000** | **2,061** | **17,189** | **207,250** |
| At 31st March 2019 | 192,000 | 3,308 | 21,921 | 217,229 |

During the year ended 31st March 2016, at the request of the Co-operative Bank, Sanderson Weatherall Chartered Surveyors carried out a valuation report on 13–17 Devonshire Road, Morecambe. The report dated 18th January 2016 stated that Sanderson Weatherall were of the opinion that, as an indication only, they would anticipate that the value of the premises would be in the region of £200,000 on completion of the roof works and repairs to exterior walls and windows (all other things remaining equal). The works were completed during the year ended 31st March 2017 and the Trustees were of the opinion that the £200,000 was reasonable.

## 15 Debtors

| | **Total 2020 £** | Total 2019 £ |
|---|---|---|
| Trade debtors | **6,348** | 6,888 |
| Other debtors | **-** | 779 |
| Prepayments and accrued income | **19,432** | 20,658 |
| | **25,780** | 28,325 |

## 16 Creditors: amounts falling due within one year

| | **Total 2020 £** | Total 2019 £ |
|---|---|---|
| Trade creditors | **11,473** | 11,004 |
| Other creditors | **11,690** | 784 |
| Accruals and deferred income | **22,248** | 34,699 |
| Taxation and social security costs | **11,614** | 13,783 |
| Bank loan and overdraft | **18,020** | 12,944 |
| | **75,045** | 73,214 |

## 17 Deferred income

| | **Total 2020 £** | Total 2019 £ |
|---|---|---|
| Balance brought forward | **15,000** | 28,994 |
| Grants received in advance | **-** | 10,000 |
| Other income received in advance | **5,439** | 5,000 |
| Release of deferred income | **(15,000)** | (28,994) |
| | **5,439** | 15,000 |

## 18 Creditors: amounts falling due in more than one year

| | **Total 2020 £** | Total 2019 £ |
|---|---|---|
| Bank loan | **20,314** | 34,845 |
| | **20,314** | 34.845 |

A first legal charge is held over registered freehold property known as The Hothouse, 13-17 Devonshire Road, Morecambe, LA3 1QT by the Co-operative Bank dated 30th November 2007.

## 19 Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities as at 31st March 2020 (2019: £nil).

## 20 Analysis of movement in restricted funds

| | At 1 April 2019 £ | Income £ | Expenditure £ | Transfers £ | At 31 March 2020 £ |
|---|---|---|---|---|---|
| Donations | 500 | 6,000 | (1,500) | - | 5,000 |
| Capital grants: | | | | | |
| Arts Council England | 17,760 | - | (5,352) | - | 12,408 |
| Youth Music | - | - | - | 2,236 | 2,236 |
| VO Skelton Charity | - | - | - | 1,008 | 1,008 |
| West End Million | - | - | - | 367 | 367 |
| Revenue grants: | | | | | |
| Youth Music - Fund 'C' | - | 159,750 | (155,903) | (2,236) | 1,611 |
| ACE - Catalyst | 5,352 | - | (5,352) | - | - |
| Morecambe Town Council | 500 | 6,500 | (7,000) | - | - |
| Lancaster City Council | 411 | 2,000 | (2,411) | - | - |
| Spirit of 2012 | 21,148 | 18,801 | (39,949) | - | - |
| FC Scott Charitable Trust | - | 10,000 | (10,000) | - | - |
| Bay Medical Group | - | 2,000 | (2,000) | - | - |
| VO Skelton Charity | - | 1,100 | (92) | (1,008) | - |
| Halton Lune Trust | - | 723 | (723) | - | - |
| West End Million | - | 500 | (133) | (367) | - |
| Nat Merriman Trust | - | 500 | (500) | - | - |
| Galbraith Trust | - | 500 | (500) | - | - |
| | 45,671 | 208,374 | (231,415) | - | 22,630 |

Restricted donations consist of amounts received from individuals/organisations with known ties to the charity to be spent on the Holocaust Memorial Day event, That Spring Thing and a new piano.

The Arts Council England capital grant funded the purchase of specific equipment and instruments for use by the charity. Expenditure represents the depreciation charge in relation to these assets.

The remaining fixed asset funds carried forward represent the cost of equipment purchased with the respective revenue grants, less the depreciation charge in relation to these assets.

Fund 'C' projects are supporting specific music delivery for children and young people.

Morecambe Town Council awarded grants towards the Catch The Wind Festival and West End Festivals.

**20 Analysis of movement in restricted funds (continued)**

Lancaster City Council awarded grants towards the Catch The Wind Festival and Refugee Project.

The SPIRIT of 2012 was awarded to develop a Singing for Health pilot project in Morecambe.

The Halton Lune Trust grant was awarded to support Adult Choirs in the Lune Valley.

The Nat Merriman Trust Grant was to support Arts Week.

The Galbraith Trust Grant was to support That Spring Thing.

Comparative information in respect of the prior period is as follows:

| | At 1 April 2018 £ | Income £ | Expenditure £ | Transfers £ | At 31 March 2019 £ |
|---|---|---|---|---|---|
| Donations | - | 3,000 | (2,500) | - | 500 |
| Capital grants: | | | | | |
| Arts Council England | 22,200 | - | (4,440) | - | 17,760 |
| Revenue grants: | | | | | |
| Youth Music - Fund 'C' | - | 159,400 | (159,400) | - | - |
| ACE - Catalyst | - | 11,650 | (6,298) | - | 5,352 |
| Morecambe Town Council | - | 7,500 | (7,000) | - | 500 |
| Lancaster City Council | - | 4,000 | (3,589) | - | 411 |
| Lancashire County Council | - | 2,250 | (2,250) | - | - |
| Spirit of 2012 | - | 21,148 | - | - | 21,148 |
| Esmée Fairbairn Foundation | - | 7,000 | (7,000) | - | - |
| Round Table | - | 600 | (600) | - | - |
| EJ Thompson Charitable Trust | - | 1,500 | (1,500) | - | - |
| Harold & Alice Wilson Foundation | - | 1,000 | (1,000) | - | - |
| | 22,200 | 219,048 | (195,577) | - | 45,671 |

## 21 Analysis of assets between funds

| | Tangible assets £ | Net current assets/ (liabilities) £ | Long term liabilities £ | Total £ |
|---|---|---|---|---|
| Unrestricted funds | **191,231** | **(54,829)** | **(20,314)** | **116,088** |
| Restricted funds | **16,019** | **6,611** | **-** | **22,630** |
| | **207,250** | **(48,218)** | **(20,314)** | **138,718** |

Comparative information in respect of the prior period is as follows:

| | Tangible assets £ | Net current assets £ | Long term liabilities £ | Total £ |
|---|---|---|---|---|
| Unrestricted funds | 199,469 | (44,283) | (34,845) | 120,341 |
| Restricted funds | 17,760 | 27,911 | - | 45,671 |
| | 217,229 | (16,372) | (34,845) | 166,012 |

## 22 Analysis of changes in net debt

| | At 1 April 2019 £ | Cash flows £ | Other non-cash changes £ | At 31 March 2020 £ |
|---|---|---|---|---|
| **Cash and cash equivalents** | | | | |
| Cash | 27,482 | **(27,138)** | **-** | **344** |
| Overdrafts | - | **(3,808)** | **-** | **(3,808)** |
| | 27,482 | **(30,946)** | **-** | **(3,464)** |
| **Borrowings** | | | | |
| Debt due within one year | (12,944) | **13,263** | **(14,531)** | **(14,212)** |
| Debt due after one year | (34,845) | **-** | **14,531** | **(20,314)** |
| | (47,789) | **13,263** | **-** | **(34,526)** |
| | (20,307) | **(17,683)** | **-** | **(37,990)** |

## 23 Funds held as custodian trustee

More Music in Morecambe acted to hold funds for Lancaster Arts Partnership. At 31st March 2020, funds of £226 were held in a separate Community Direct Plus Account with the Co-operative Bank.

## 24 Events after the end of the reporting period

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by the government to contain the virus have affected the charity's ability to deliver a full programme of activities. A number of measures to monitor and mitigate the effects of COVID-19 have been taken, such as:

- safety and health measures for our staff (such as social distancing and working from home)
- moving delivery of activities online wherever possible
- furloughing staff where necessary and accessing financial support through the Coronavirus Job Retention Scheme
- conducting a staffing restructure to ensure additional cost savings
- ensure budgets and forecasting are updated and reflect the current situation as accurately as possible

Depending on the duration of the COVID-19 crisis and continued negative impact on programme delivery, the exact impact on the charity's activities in the remainder of 2020 and thereafter cannot be predicted. However, as a result of the measures taken the charity has been able to improve its liquidity and cashflow position since the balance sheet date, and continues to assess and adjust its response to the crisis when new information or assistance becomes available.

Please also refer to note 1 (i) Going concern.