

Company Number: 05672359
Registered Charity Number 1113002

THE MASTERCLASS MEDIA FOUNDATION
UNAUDITED FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2017

TUESDAY



L6H9X3VS

LD2

17/10/2017

#6

COMPANIES HOUSE

THE MASTERCLASS MEDIA FOUNDATION
FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2017

CONTENTS

Company Information	3
Report of the Trustees	4 - 8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Financial Statements	11 – 15
Accountants Report	16

THE MASTERCLASS MEDIA FOUNDATION

FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2017

COMPANY INFORMATION

TRUSTEES AND DIRECTORS	Matthew Cosgrove (Chairman) John Kelleher Michael Morris
-------------------------------	--

REGISTERED OFFICE	White Label Productions 45-51 Whitfield Street London W1T 4HD
--------------------------	--

OPERATIONAL ADDRESS	White Label Productions 45-51 Whitfield Street London W1T 4HD
----------------------------	--

ACCOUNTANTS	Kingly Brookes LLP Chartered Accountants 415 Linen Hall 162-168 Regent Street London W1B 5TE
--------------------	---

BANKERS	Royal Bank of Scotland 50-52A Whiteladies Road Clifton Bristol BS8 2NH
----------------	--

SOLICITORS	Veale Wasbrough Orchard Court Orchard Lane Bristol BS1 5WS
-------------------	--

REGISTERED CHARITY NUMBER	1113002
----------------------------------	---------

REGISTERED COMPANY NUMBER	05672359
----------------------------------	----------

THE MASTERCLASS MEDIA FOUNDATION

FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2017

REPORT OF THE TRUSTEES

The Trustees present their report and the unaudited financial statements for the year ended 31 January 2017.

Objectives of the charity

This is a company which aims to advance the education of the public in the arts and the appreciation of the arts by creating a record of the working practices of artists for use by students of the arts and other members of the public. The company has to comply with both the Companies Act 2006 and the SORP (Statement of Recommended Practice). In shaping the objectives for the year for the Masterclass Media Foundation and planning its activities, the Trustees have considered the Charity Commission's guidance on public benefit. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Structure, Governance and Management

Governing document

Masterclass Media Foundation Limited is a company limited by guarantee, governed by its Memorandum and Articles of Association, dated 11 January 2006 as revised in 2011. It is registered as a charity with the charity commission. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Appointment of Trustees

As set out in the Articles of Association, the first Trustees are appointed by the subscriber to the Memorandum. The minimum number of Trustees shall be three and the maximum shall be six (unless a greater maximum is otherwise determined by resolution of the Trustees from time to time). The term of office for a Trustee shall be three years. A Trustee shall be eligible for re-election by the Trustees for further terms of three years. A Trustee is immediately eligible for re-election after serving a term, or consecutive terms, in office, with no limitations (subject to article 3.8) on the total number of terms that any Trustee can serve. The Trustees have the power to co-opt a duly qualified person either to fill a vacancy or in addition to the existing board of Trustees (but the total number of trustees shall not exceed the maximum stated in the Articles). Where a co-opted Trustee is appointed to fill a vacancy, he or she shall hold office for the remainder of the original term of the Trustee whose office is vacant. Where a co-opted Trustee is appointed as an addition to the existing Board, he or she shall be appointed for a term of three years.

Trustee Induction and Training

New Trustees are furnished with the content of the Memorandum and Articles of Association, Document CC3 from the Charity Commission entitled the Essential Trustee: What You Need to Know, Document CC35 from the Charity Commission entitled Charities and Trading, the company Business Plan and recent financial performance of the charity. When new briefings are produced by the Charity Commission and other bodies, the Trustees are kept informed about variations to the Acts. Currently there are no formal external training events planned for Trustees.

THE MASTERCLASS MEDIA FOUNDATION

FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2017

REPORT OF THE TRUSTEES (continued)

Organisation

The Board of Trustees (which can have up to six members) administers the charity. The Board meets four times a year and discusses all operational matters including finance, employment and artistic performance related activity.

Trustees

The trustees as charity trustees have control of the charity and its property and funds. The day to day management is dealt with by White Label Productions Limited.

Risk Management

The trustees have a risk management strategy which comprises:

- Ensuring there is a weekly review of the Financial Statements
- Strategic planning is in place in the event that funding cannot be maintained
- Annual review of the risks the charity may face
- The completion of a risk assessment form each time a filming session is held. These are monitored by a Health and Safety specialist.

Objectives and Activities

The Foundation films and records world-class musicians giving masterclasses and teaching students, or discussing and analysing and demonstrating their own approach to the performance of works and which they are associated. The aim of the Foundation is to build a unique video archive of the world's greatest classical musicians as they give masterclasses. Their insights inspire thousands of today's music students and will benefit many generations to come. The range of teaching is not restricted to solo instruments, but includes singing and chamber music as well as conducting and composing. Eventually it is hoped to expand masterclass coverage into other areas of music.

The charity undertakes direct charitable activities only and does not make grant payments.

We have written acknowledgement from a large number of major UK and international music colleges and UK Secondary schools how little of this sort of material is available, and how great a need there is for it. Many colleges continue to show great interest in participating in the Foundations work. Particularly close relationships have been established with the Royal Academy of Music, the Royal Northern College of Music and The Verbier Festival Academy.

THE MASTERCLASS MEDIA FOUNDATION

FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2017

REPORT OF THE TRUSTEES (continued)

Achievements and Performance

The Masterclass Media Foundation has had a busy and successful year with new initiatives designed to ensure that the MMF's activities reach as wide an audience as possible, plus three new film projects.

On the social media side, the very positive trend reported in the previous report of the trustees on MMF's Channel YouTube continues. Subscriber numbers now stand at just under 20,000, and views are running at a very healthy 4.8 million. New clips from MMF films are posted every Wednesday at 4pm so viewers know that new content will be available each week. Facebook also has seen considerable growth for MMF with 'likes' now touching 5,000, and an equally vibrant Twitter scene has over 4,500 tweets a month.

A new MMF website has been designed by WLP, and is both modern in appearance and simple to navigate – essential qualities to generate repeat traffic and commercial activity.

A 5 year agreement has been signed with Music Gurus (Music Education Technologies Ltd) to license MMF content on their impressive Interactive Service. This features hosted and interactive pre-recorded lesson content, supporting materials and tools, and users communicate with the tutor and each other. MMF films will be used in the courses or lessons and edited for such use. Royalties are paid to MMF derived from income received by Music Gurus from both courses and tutoring. The agreement will therefore provide a useful income stream to MMF and ensure that MMF content will reach new audiences through educational use.

MMF has made new films featuring the great French violinist Augustin Dumay, filmed at the Queen Elisabeth Music Chapel in Waterloo, Belgium. Cellist Leonard Elschenbroich gave a superb masterclass with two young piano trios at the Royal Northern School of Music, and this has been released by MMF.

The relationship with White Label Productions continues to be very fruitful and their continuing willingness to provide substantial in house services free of charge and accept payment for prior work in instalments is greatly appreciated by MMF. This has enable MMF to continue to make and plan films for future release – the primary aim of the company.

With regard to sales, physical sales continue to decline with 357 physical units sold, yielding a net income to MMF of £4471.02.

Digital download sales via FlickRocket are growing and providing a steady source of income, yielding a net income of £6,732.98.

Likewise income from streaming sales has increased this year, this services is delivered through partners Alexander Street Press, Medici and new partner MusicGurus, and yielded a total net income of £9,638.12.

THE MASTERCLASS MEDIA FOUNDATION
FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2017

REPORT OF THE TRUSTEES (continued)

Financial Review

Review of financial position

The statement of financial activities shows that charitable income for the year was £21,037 (2016: £19,283). Total income for the year was £21,037 (2016: £19,303).

Net outgoing resources relating to unrestricted funds at 31st January 2017 were £5,846 (2016: £1,951 expended).

The Directors are satisfied with the Company's performance in the year under review.

Principal Funding Sources

The principal funding source is the sales of digital downloads, streaming royalties and DVDs.

Investment Powers and Policy

Under the Memorandum and Articles of Association, the charity has the power to deposit or invest the assets of the Charity in any manner (but to invest only after obtaining advice from a financial expert, unless the Trustees conclude that it is unnecessary or inappropriate to do so).

Reserves Policy

The reserves policy of the charity is to expend resources in line with income generated in the year and maintain reserves equivalent to approximately two month's expenditure.

Plans for Future Periods

Just agreed in the period covered by this report is a film of a masterclass featuring David Watkin 'Unlocking the Bach Cello Suites'. Filmed at Kings Place in London, six cellists are taken through a suite each by Watkins and the result is a fascinating and revealing journey through these timeless masterworks. This will be released summer 2017.

Agreement with the Royal Academy of Music has finally been obtained and the first film featuring violinist James Ehnes will be made at a date to be confirmed.

MMF has also reached out the Verbier Festival to re-establish the relationship between MMF and the festival. A new general manager there had just started so this will be a lengthy process.

The economic situation continues to provide challenges in terms of donations and fundraising, however, this is driving MMF to seek alternative sources of funding through streaming partners and other companies such as MusicGurus.

THE MASTERCLASS MEDIA FOUNDATION

FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2017

REPORT OF THE TRUSTEES (continued)

Discussions are ongoing with the BBC re. treatments for joint ventured programmes on Vivaldi, Mozart's Women and Vaughan Williams.

Trustees' Responsibilities in Relation to the Financial Statements

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In the preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

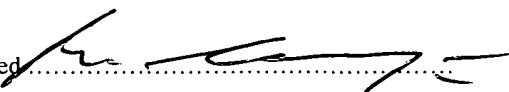
The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding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

In accordance with Company Law, we certify that as the Trustees of the Company we have taken all the steps we ought to have taken to make ourselves aware of any relevant information and to establish that the charity's accountants are made aware of that information.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Trustees:

Signed



Date

10/10/12

THE MASTERCLASS MEDIA FOUNDATION**FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2017****STATEMENT OF FINANCIAL ACTIVITIES****(including income and expenditure account)****INCOME AND EXPENDITURE**

	Notes	Unrestricted Funds 2017 £	Unrestricted Funds 2016 £
INCOMING RESOURCES			
Incoming resources from generated funds			
Sales		21,037	19,283
Other income		-	18
Investment income	3	-	2
TOTAL INCOMING RESOURCES		21,037	19,303
RESOURCES EXPENDED			
Cost of generating sales	4	10,012	11,904
Governance costs			
Management and administration	5	5,179	9,350
TOTAL RESOURCES EXPENDED		15,191	21,254
Net resources (expended) for the year		5,846	(1,951)
FUND BALANCES AS AT 31 JANUARY 2016		12,860	14,811
FUND BALANCES AS AT 31 JANUARY 2017		18,706	12,860

All recognised gains and losses are included in the income and expenditure account.

The notes on pages 12 and 16 form part of these Financial Statements

All funds are unrestricted.

THE MASTERCLASS MEDIA FOUNDATION

FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2017

BALANCE SHEET

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	9	-	-
CURRENT ASSETS			
Stock		18,151	18,451
Debtors	10	12,735	9,347
Cash at bank and in hand		12,682	8,772
		<u>43,568</u>	<u>36,570</u>
CREDITORS			
Amounts falling due in less than one year	11	(24,862)	(23,710)
NET CURRENT ASSETS		<u>18,706</u>	<u>12,860</u>
NET ASSETS		<u>18,706</u>	<u>12,860</u>
FUNDS			
Unrestricted funds	12	18,706	12,860
TOTAL FUNDS		<u>18,706</u>	<u>12,860</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 January 2017.

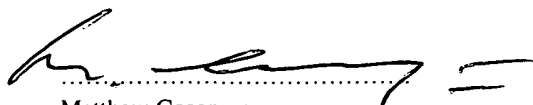
The members have not required the company to obtain an audit of its financial statements for the year ended 31 January 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the Trustees on 10/10/17 and were signed on their behalf:


Matthew Cosgrove

The notes on page 12 to 16 form part of these Financial Statements

THE MASTERCLASS MEDIA FOUNDATION

FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2017

NOTES TO THE FINANCIAL STATEMENTS

1. Statutory Information

The Masterclass Media Foundation is a private company limited by guarantee, registered in England and Wales. The company's registered number is 05672359 and registered office is 45-51 Whitfield Street, London, W1T 4HD.

The presentational currency of the Financial Statements is in Pound Sterling (£).

2. Accounting Policies

(a) Basis of preparation

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

The recommendations of the Statement of Recommended Practice: Accounting and Reporting for Charities (issued in March 2005) have been followed in the preparation of the Financial Statements.

The company has taken advantage of the concession available to small charities not to categorise incoming resources and resources expended by activity, but to disclose them in natural categories.

(b) Income

Income is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

(c) Expenditure

All expenditure, other than that which is capitalised, is included in the Income and Expenditure Account on the accruals basis as a liability is incurred.

Where costs cannot be directly attributed to particular headings they have been reclassified and allocated on a basis consistent with the use of resources. Staff salaries have been allocated to activity cost categories based on the time spent and other overheads have been allocated to activities in proportion to their relative outputs measured by reference to direct expenditure.

(d) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated on a straight line basis, at 25% per annum, to write off assets over their estimated useful economic lives.

(e) Cash flow statement

The company has taken advantage of the exemptions available to small companies within this standard and has not prepared a cash flow statement.

THE MASTERCLASS MEDIA FOUNDATION

FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2017

NOTES TO THE FINANCIAL STATEMENTS (continued)

(f) Fund accounting

The company has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

- Unrestricted funds are available to use at the discretion of the trustees in furtherance of the objects of the charity.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

(g) Stock

Stock is valued at the lower of cost and net reliable value, after making due allowance for obsolete and slow-moving items.

3. Investment Income

	2017	2016
	£	£
Bank interest receivable	-	2
	<u> </u>	<u> </u>

4. Cost of Generating Sales

	2017	2016
	£	£
Opening stock	18,451	18,819
DVD Stock storage	1,015	2,583
Filming, editing and post production	6,243	3,924
Commissions	2,400	1,560
Bad debt provisions	-	2,482
You tube label management	-	900
Royalties/MCPS	54	87
Closing stock	(18,151)	(18,451)
	<u>10,012</u>	<u>11,904</u>

THE MASTERCLASS MEDIA FOUNDATION
FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2017

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Management and Administration

	2017	2016
	£	£
Wages	-	1,400
Social security	-	1,100
Accountancy	1,100	2,360
Legal and professional	-	1,823
Website	3,344	154
Subscriptions and advertising	-	119
White Label administration costs	-	750
Bank charges	154	-
Depreciation	-	1,375
Postage	581	-
Sundries	-	269
	<u>5,179</u>	<u>9,350</u>

6. Management and administration (continued)

The average number of people employed during the years was nil (2016: one). There were no employees with emoluments above £60,000 in either year.

The administration of the Foundation is carried out by White Label Productions Ltd who had not charged the Foundation for their services.

7. Taxation

No corporation tax is charged in these Financial Statements due to the charitable status of the company.

8. Trustees' Remuneration

No remuneration or expenses were paid to any Trustees

No Trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year.

THE MASTERCLASS MEDIA FOUNDATION
FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2017

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Fixed Assets

	Website Costs £
Cost	
As at 31 January 2016	12,150
Additions	-
Disposals	-
As at 31 January 2017	<u>12,150</u>
Depreciation	
As at 31 January 2016	12,150
Charge for the year	-
Disposals	-
As at 31 January 2017	<u>12,150</u>
Net book value	
As at 31 January 2017	<u>-</u>
As at 31 January 2016	<u>-</u>

10. Debtors

	2017 £	2016 £
Trade debtors	6,738	4,360
Other debtors	5,997	4,403
Prepayment	-	584
	<u>12,735</u>	<u>9,347</u>

THE MASTERCLASS MEDIA FOUNDATION

FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2017

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Creditors amounts falling due within one year

	2017	2016
	£	£
Trade creditors	11,922	11,211
Other creditors	12,940	12,499
	<u>24,862</u>	<u>23,710</u>

12. All funds are unrestricted

13. Share capital

The company is limited by guarantee and does not have any share capital.

14. Capital commitments

At the balance sheet date, the company had not authorised or contracted for any material amounts of capital expenditure.

15. Contingent liabilities

The Trustees were not aware of the existence of any contingent liabilities at the balance sheet date.

16. Ultimate Controlling Party

There is no ultimate controlling party.

17. Transition to Financial Reporting Standard 102

There were no adjustments to make to the accounts in respect of the transition to Financial Reporting Standard 102.

THE MASTERCLASS MEDIA FOUNDATION

FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2017

**ACCOUNTANT REPORT TO THE TRUSTEES ON THE
UNAUDITED FINANCIAL STATEMENTS OF THE MASTERCLASS MEDIA FOUNDATION**

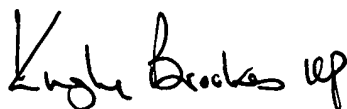
In accordance with the engagement letter dated 25 July 2016, we have prepared for your approval the financial statements of The Masterclass Media Foundation which comprise the Statement of Financial Activities, the Balance Sheet and the related notes from the charity's accounting records and information and explanations you have given us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/membershandbook.

This report is made solely to you, the charity's Board of Trustees, as a body, in accordance with the terms of our engagement letter dated 25 July 2016. Our work has been undertaken solely to prepare for your approval the financial statements of The Masterclass Media Foundation and state those matters that we have agreed to state to them in this report in accordance with the guidance of ICAEW as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Board of Trustees as a body for our work or for this report.

You have approved the financial statements for the year and have acknowledged your responsibility for them, for the appropriateness of the financial reporting framework adopted and for providing all information and explanations necessary for their compilation.

We have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



.....
Kingly Brookes LLP
415 Linen Hall
162-168 Regent Street
London
W1B 5TE

Date: 17.10.2017