

**THE WILTSHIRE MUSIC  
CENTRE TRUST LIMITED**

**FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2005**

Company Registration Number 2661682  
Charity Registration Number 1026160



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COMPANIES HOUSE

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**MOORE STEPHENS**  
CHARTERED ACCOUNTANTS

**THE WILTSHIRE MUSIC CENTRE TRUST LTD**

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FOR THE YEAR ENDED 31 MARCH 2005**

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**THE WILTSHIRE MUSIC CENTRE TRUST LTD**

**LEGAL AND ADMINISTRATIVE INFORMATION**

**FOR THE YEAR ENDED 31 MARCH 2005**

<b>Company registered number</b>	2661682	
<b>Charity registered number</b>	1026160	
<b>Principal address and Registered office</b>	The Wiltshire Music Centre Ashley Road Bradford on Avon Wilts BA15 1DZ	
<b>Trustees</b>	J A Wetz C M Kay H Feilding	Chair – until January 2005 Chair – from January 2005 Treasurer
	K M Bennett C Cooper Dr A Crossland L I Holdaway V S C Landell Mills D J Main H Starkie	Resigned 23 September 2004
<b>Chief Executive &amp; Artistic Director</b>	Keith Nimmo	
<b>Bankers</b>	HSBC plc Old Town Hall Bradford on Avon	
<b>Auditors</b>	Moore Stephens Chartered Accountants 30 Gay Street Bath BA1 2PA	
<b>Solicitors</b>	Thring Townsend Midland Bridge Bath	
<b>Investment Managers</b>	Carr Sheppards Crosthwaite 2 Gresham St London EC2V 7 QN	

## **THE WILTSHIRE MUSIC CENTRE TRUST LTD**

### **REPORT OF THE TRUSTEES**

The Trustees present their report together with the financial statements of the charity for the year ended 31 March 2005.

Legal and administrative details set out on page 1 form part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

#### **Principal aim of the charity**

The object for which the Wiltshire Music Centre Trust was established is the advancement of music education for students of all ages residing in and around the county of Wiltshire. In pursuit of this objective, the Trust's principal aims, which have not changed during the year, are to:

- provide an acoustically-designed, purpose-built facility for the teaching, rehearsal and performance of music
- provide a base for the diverse activities of music-making groups in West Wiltshire and beyond, and a home for the Wiltshire & Swindon Youth orchestra
- create an environment in which musicians can meet, communicate and develop their talents and potential, both individually and in groups, and thereby promote the study and practice of music.

#### **Structure and governance of the charity**

The Wiltshire Music Centre Trust is incorporated as a company limited by guarantee; the company has no share capital and no director has any interest in the capital of the charity.

There are currently nine trustees, who are listed on page 1 and who all served throughout the year except as indicated; they are all directors of the company and meet eight times during the year. As at 31 March 2005, there were 36 members of the charity.

The appointment or election of trustees are determined by an ordinary resolution of the Board of Trustees and ratified at the AGM. Following approval by the Charity Commission, changes to the Memorandum and Articles of Association were formally adopted by the Trust at the AGM on 23 September 2004.

During the year the Trust reviewed its Ethical, Health and Safety, Investment, Artistic and Equal Opportunities Policies plus its policy on Public Access, and took a more rigorous in-depth approach to Risk Analysis and Management. In March, the Trustees adopted an annual cycle of six meetings with the core agendas planned 12 months in advance. Several Trustees' working groups have also been developed, each with a focussed role and delegated programme of work. This allows time for more detailed discussions, research and preparatory work, while management responsibility for all high level strategic decisions rests with the full Board.

After five years as Chair of the Trustees, James Wetz retired in January 2005 and Caroline Kay was unanimously elected to succeed him. The Trust is delighted that James has chosen to remain an active and fully committed member of the Board.

## THE WILTSHIRE MUSIC CENTRE TRUST LTD

### REPORT OF THE TRUSTEES

#### Activities and developments in the year

##### *Overview – 'Wiltshire's switched on music venue' The Guardian*

The Wiltshire Music Centre's seventh year has been as productive and successful as ever. Local community use continued to grow, as in each successive year since opening. Now open on average 80 hours each week, it attracts over 47,000 visitors annually in addition to daily use by St Laurence School. The majority of users are participants in the wide range of workshops and projects on offer, some 60% aged 18 months to 20 years old. Concert audiences grew to over 17,500 people, with overall attendance continuing to average 80% of capacity. By the end of March 2005, a total of 160 events had sold out since the Centre launched its Opening Celebrations in 1998.

This sustained growth has not compromised quality. Audience research and project evaluation continued to reveal consistently high levels of customer satisfaction, confirming the Centre's position as one of the country's most successful small-scale Lottery projects. In May 2004, the Trust was invited to a reception at Number 10 Downing Street to celebrate outstanding achievements in the arts. The Centre has attracted positive media attention too, appearing on Sky News and being described in The Guardian as 'Wiltshire's switched on music venue.' The TV production company 3BM filmed part of their programme about Mozart and Tourette's syndrome for Channel 4 television at the Centre.

##### *Challenges successfully met during the course of the year...*

Yet in some respects 2004/5 was also a challenging year. For the first time ever, the Trust had to work to a budget with a small deficit. Local Authority funding had been at standstill for four years, and with revenue funding overall comparatively low, this vital aspect of the Centre's core income had steadily fallen behind growth in its work and outputs. Faced with the prospect of retrenchment despite the popular demand for its work and this sustained successful growth, the Trust chose to remain faithful to its plans and users. Instead it sought a dialogue with each of its public funders about how to proceed. The completion of phase two of the Centre's development in March 2005, and with it the end of the second three-year funding package from the Esmée Fairbairn Foundation gave sharper focus to these talks.

##### *... an even stronger sense of partnership*

Though it had no impact on the 2004/5 year, it is important to note an encouraging outcome. While not fully addressing the Trust's needs, increases of 41% in its core public funding for 2005/6 have had a very positive impact on the sustainability of the Centre's work. At a time when growth in arts funding is proving harder to achieve, this represents a very solid vote of confidence in the Centre's work by both Wiltshire County Council and West Wiltshire District Council. Given the considerable competing pressures on local authority budgets, this additional support has been hard won and is very gratefully received. It is good to be working closely with both authorities and to feel that they too wish to invest further in this partnership.

A new Business Plan to March 2007, based on continued commitment to the Trust's programmes of work and sustained growth of new audiences and participants, was adopted in the second half of the year.

## **THE WILTSHIRE MUSIC CENTRE TRUST LTD**

### **REPORT OF THE TRUSTEES**

#### ***...and other achievements***

Further progress has been made in the implementation of the Wiltshire Music Centre's Disability Action Plan (DAP). The car park next to the Centre was fully upgraded creating additional disabled parking spaces and access improved in a number of other ways. Induction loops were installed at the bar and box office and a portable loop system acquired; with help from the Friends of the Wiltshire Music Centre, space for wheelchair users was more than doubled. With developments in programming and inclusively designed projects there has been measurable growth of new audiences and very appreciative feedback.

Other challenges successfully met included temporary staff and skill shortages due to maternity and sick leave plus the threat of changes in VAT regulations regarding cultural exemption. Professional legal and tax advice was sought and the Trust received an HMCE ruling that had no adverse impact on the Trust.

#### ***...thanks to hard work, self help and all who support the Trust's work***

As in previous years, the Trust's own income generation efforts have been crucial to sustaining growth. For every £1 of local authority subsidy invested in the Centre, the Trust earned and raised another £22.58. Growth in lettings for conferences, training days and seminars, increased income from this source by 27% over the year. Concert box office income increased by 24%, generating over £10,000 additional net income.

Thanks also go to the Trust's many other supporters. Funding from trusts and project grant income increased, as did sponsorship and donations, with support from: Adapt Trust, Golsoncott Foundation, Pixiella Trust, Medlock Trust, Herbert & Peter Blagrove Charitable Trust, William "Doc" Crouch Trust, Wiltshire & Swindon Community Foundation, D'Oyly Carte Charitable Trust, R J Harris Trust, Joyce Fletcher Trust, C & J P Powell, Wherever the Need, Sustain the Plain and Youth Music, as well as project support from Salisbury District Council, Swindon Borough Council and Swindon Music Centre. Wessex Water became the latest new member of the Business Partners, who also included Thring Townsend, Nestlé, HPH Ltd and Feilden Clegg Bradley.

The Friends of the Wiltshire Music Centre raised more money for initiatives to help the Centre and its "100 Club" continued to grow. An anonymous donation enabled the Trust to complete the year with minimum loss, despite the deficit budget, still leaving the Trust with a modest accumulated trading surplus of around £6,000 at the year end. In managing the Centre's continued growth successfully, the Trust owes a huge debt of gratitude, as ever, to its skilled, hardworking, professional staff, and to its remarkable team of 100 volunteers. Well over 6000 voluntary hours were worked during the year, a contribution of some £31,000 at the minimum wage.

#### ***Education and Community Programme***

The Wiltshire Music Centre's education and community programme actively promotes social inclusion and provides opportunities for a wide range of local people of all ages to take part in and enjoy high quality music experiences. Highlights in 2004/5 included the development of the Centre's outreach project with 400 children in 11 special schools across Wiltshire and in Swindon, thanks to funding from Barclays plc who are also generously supporting the 2005 project. Two inspiring performances at the Centre were attended by local MPs James Gray and Andrew Murrison and a number of other VIPs. With Youth Music funding, summer 2004 also saw the culmination of the Centre's fourth partnership project with Wiltshire Music Service working in small rural primary schools with over 450 children. Different world music traditions were the focus, enhancing singing and delivering music to Key Stage 2 in schools which normally have no access to a music specialist.

## THE WILTSHIRE MUSIC CENTRE TRUST LTD

### REPORT OF THE TRUSTEES

#### *Education and Community Programme (continued)*

Another strong business relationship underpinned the development of the Centre's residency by the Doric String Quartet. John Lewis Partnership supported highly successful outreach work with over 1000 young children and string players in primary schools across the county. Meanwhile, support from their Golden Jubilee Trust, enabled Maggie Hudson from Waitrose in Bath to be seconded for 6 months to help run Big Ideas. A partnership project with several other Wiltshire arts organisations, the BSO and each of the Wiltshire local authorities, plus BBC Radio Wiltshire as the project's media partner, Big Ideas attracted EU and DEFRA funding from Sustain the Plain, plus support from Arts Council England, South West and Salisbury District Council. This enabled outreach work to begin in November in four isolated Wiltshire villages and, by the year end, activity had taken place in a variety of settings from schools and youth groups to elderly people's coffee mornings and with single parent groups. This pioneering project culminates in 2005/6.

Through a partnership programme, Youth Music have supported 'Making Waves', another pioneering project launched in 2003/4 and culminating in 2005/06. With an intensive programme of workshops, offering a variety of activities, including singing, gamelan, song-writing, music technology and percussion, this is engaging with 35 disabled young people in transition from school to adult life. An outreach dimension was launched in Devizes, Rowde and the Bath area and the Centre also began working with Wiltshire New Pathways on a consultation project with young disabled people to feed into Wiltshire's special educational needs strategy. Meanwhile, Music Xpress, a pilot music technology project run in collaboration with Wiltshire Youth Arts Partnership, successfully engaged with a wide range of at-risk young people through outreach sessions in centres across the County and holiday courses at the Wiltshire Music Centre. Referrals were received from the County's Young People Support Services, the Youth Offending Team and Looked After Young People Team. This pilot finished in February 2005 and a second phase is being planned, with Salisbury Arts Centre and Salisbury College joining the partnership.

#### *Concert programme*

Highlights of the concert programme included the launch of an exciting new residency with the Orchestra of the Age of Enlightenment, networked with Dartington, Jackdaws and St Georges Brandon Hill. The Centre has also been selected as one of the key venues for development through the new national Arts Council funded Orchestras Live scheme. This will introduce a wider range of orchestras of the highest quality, including the London Sinfonietta and Britten Sinfonia. Splendid concerts were given by the European Union Chamber Orchestra and BBC National Orchestra of Wales, the latter broadcast again on Radio 3. Other memorable performances included the Renaissance Ensemble, and Imogen Cooper, as well as Radu Lupu's stunning recital, sponsored by Moore Stephens, and the City of London Sinfonia, sponsored by Roper Rhodes. Folk music featured Blazin' Fiddles, Danu, the Battlefield Band, and Boys of the Lough; jazz musicians included Martin Speake, John Law's Cornucopia, Iain Ballamy and Stian Carstensen; and a range of world music included the Balkan Gypsy Band, Kal, Abdullah Chhadeh, the Boyan Ensemble, Szapora, Dharambir Singh and Sarvar Sabri. Anjali gave a splendid performance attracting a very enthusiastic audience and Creative Factory was, as ever, an astonishing display of what local young people can achieve when focused and inspired. There were some very encouraging comments from the artists too – professional, student and amateur alike. Anthony Robson of the OAE described the Centre's acoustic as amongst the very best in the UK, bearing comparison with the Wigmore Hall, and OAE colleagues made similar comments on BBC Radio 3's prime time 'In tune' programme. Many local groups and educationalists similarly rate the Centre as the best venue in the area.

## THE WILTSHIRE MUSIC CENTRE TRUST LTD

### REPORT OF THE TRUSTEES

#### *Investment of reserves*

Following a careful recruitment process, charity specialists Rensburg Sheppards plc (formerly Carr Sheppards Crosthwaite Ltd), were appointed as the Trust's Investment Managers. An Investment Policy was developed with their advice, taking due note of the Trust's Reserves and Ethical Policies also adopted during the year. The objectives are to ensure, through longer-term investment of most of the reserve, sufficient interest to provide a minimum level of unrestricted core income to contribute to the Trust's annual revenue needs plus sufficient capital growth to protect the value of the investment.

These objectives are to be achieved by investing prudently in a broad range of collective investment schemes and the performance of the fund will be benchmarked. The Investment Policy and these arrangements will be reviewed annually by the Trustees. As in previous years, a proportion of the reserve is invested more accessibly, enabling the Trust to continue its programme of selected, pressing capital improvements. Wherever possible, the Trust will continue to fundraise for certain items so as to maximise the benefit of what can be achieved with this limited fund.

#### *Maintaining a high quality facility*

As the Centre approaches its eighth year of operation, and with the building more heavily used than ever, the Trust is making increased provision to maintain it and its instruments and equipment to the high standards it sets. In addition to the access improvements mentioned, the Centre's Steinway 'O' – in daily use by young musicians – has been re-strung and refurbished, and two additional Yamaha uprights were acquired to ensure an adequate stock of good pianos. More work is needed to ensure the roof is properly bird-proofed and the auditorium black-out blinds are being renewed. Over the coming year, the Trust will be developing a more detailed asset management programme, quantifying and planning for forthcoming major refurbishment items such as replacing the carpets.

#### *Networking and advocacy*

The maintenance of adequate core public funding is vital as it underpins the Trust's financial stability and its capacity to sustain and build all its other income streams, yet the climate for public funding of the arts is variable. During the course of the year, the Trust has played a very active role in several initiatives, working hard to make the case for the arts in Wiltshire. This included membership of West Wiltshire District Council's Arts Policy Project Group which successfully made recommendations to the District's cabinet for reinstatement of money cut from the arts budget over the last four years. The Trust took the initiative with a number of other arts organisations to form Wiltshire Arts Promoters forum (WAP), an active partnership to advocate for, promote and support strategic arts development in Wiltshire. With Salisbury Arts Centre, the Wiltshire Music Centre represented WAP on the steering group for Wiltshire Forward – a report by Diana Johnson with recommendations on issues affecting the future of the arts in Wiltshire. Along with many others in the local community, staff and Trustees have played an active part in the town and district's community planning process, working to ensure that the arts remain central to the development of cultural strategies for the area.

Through each of these initiatives the Trust has pursued a broad rather than a narrow agenda. The establishment of WAP will provide a well coordinated, collective and coherent voice for the arts in Wiltshire. Working with peers, this action-led forum aims to promote real partnership, leading to positive outcomes for shared objectives in support of strategic arts developments. At the same time, the Trust is working very hard to win wider recognition and support for the Centre's work and it has appointed the London based PR Consultant, Simon Milward to provide professional input to this.



## THE WILTSHIRE MUSIC CENTRE TRUST LTD

### **REPORT OF THE TRUSTEES**

#### *New ideas - vision*

Whilst the work outlined above has kept the Centre's staff, Trustees and volunteers extremely busy, it has not stifled its quest to keep the project's vision and programme refreshed with new ideas. During the course of the year, Lesley Greene and Jony Easterby completed a study into the feasibility of developing a Visual Arts dimension to the Centre's programme, with funding from the Esmée Fairbairn Foundation. Their exciting ideas have won approval from the Arts Council and during the course of the coming year the Trust looks forward to progressing a pilot project, subject to success with further fundraising.

#### *Risk Management*

The more rigorous in-depth approach taken to Risk Management this year has examined the major strategic, business and operational risks which the charity faces and resulted in a carefully considered and detailed analysis of them showing both the severity and likelihood of each risk, together with mitigations already in place. While no risk has been rated as high, this analysis has identified those moderate risks and residual risks where further mitigation is being actioned. These actions have been planned into the Trust's current programme of work. Additionally, the trustees have considered risks to all income streams over 4% of the total budget and have reviewed the insurance policies and maintenance contracts that the Trust has in place. The trustees are therefore satisfied that appropriate systems are in place to mitigate against the risks identified.

#### *Statement of trustees' responsibilities*

Company law requires the trustees to prepare financial statements which give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so, the trustees are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, and prepare the financial statements on a 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### *Auditors*

It is proposed that the company's present auditors, Moore Stephens, be re-appointed to hold office for the ensuing year.

#### *Small company exemptions*

The accounts have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

Approved by the Trustees on 21 July 2005 and signed on their behalf by:-

  
Caroline Kay  
Chair of Trustees

## **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF**

### **THE WILTSHIRE MUSIC CENTRE TRUST LTD**

We have audited the financial statements of The Wiltshire Music Centre Trust Ltd for the year ended 31 March 2005 set out on pages 9 to 15. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 11.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the trustees and auditors**

As described in the Statement of Trustees' Responsibilities the charitable company's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the trustees report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the company is not disclosed.

We read the trustees report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of opinion**

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

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

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2005 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**MOORE STEPHENS**  
Chartered Accountants  
And Registered Auditors

Bath

8 August 2005

**THE WILTSHIRE MUSIC CENTRE TRUST LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2005**

	Note	Unrestricted Funds		Restricted Funds	Total 2005	Total 2004
		General £	Designated £	£	£	£
<b>Income</b>						
<b>Incoming resources</b>						
Operation of Music Centre	2	229,650	-	102,870	332,520	219,009
Grants:						
Arts Council and local authorities		58,450	-	-	58,450	67,750
Charitable trusts		42,500	-	-	42,500	41,250
Fund-raising:						
Donations		18,131	-	5,374	23,505	10,905
Investment income		16,532	-	-	16,532	11,723
<b>Total incoming resources</b>		365,263	-	108,244	473,507	350,637
Less: cost of generating funds	3	(9,558)	-	-	(9,558)	(10,093)
<b>Net incoming resources available for charitable expenditure</b>		355,705	-	108,244	463,949	340,544
<b>Expenditure</b>						
<b>Charitable expenditure</b>						
Cost of operation of Music Centre	3	324,410	3,057	107,810	435,277	356,742
Management and administration	3	34,101	-	-	34,101	26,935
<b>Total charitable expenditure</b>		358,511	3,057	107,810	469,378	383,677
<b>Total resources expended</b>		368,069	3,057	107,810	478,936	393,770
<b>Net outgoing resources for the year and deficit of income over expenditure</b>	7	(2,806)	(3,057)	434	(5,429)	(43,133)
<b>Other recognised gains and losses</b>						
Gains on investments	9	-	-	-	-	247,627
<b>Net movement in funds</b>		(2,806)	(3,057)	434	(5,429)	204,494
<b>Funds brought forward at 1 April 2004</b>		8,812	425,648	1,991,100	2,425,560	2,221,066
<b>Funds carried forward at 31 March 2005</b>		6,006	422,591	1,991,534	2,420,131	2,425,560

The above results relate wholly to continuing activities; there were no other recognised gains or losses in the year.

The accompanying accounting policies and notes form an integral part of these financial statements.

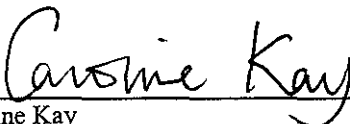
**THE WILTSHIRE MUSIC CENTRE TRUST LIMITED**

**BALANCE SHEET  
AT 31 MARCH 2005**

	Note	2005 £	2004 £
<b>Fixed assets</b>			
Tangible fixed assets	8	2,028,365	2,021,915
Investments	9	350,000	401,233
		<u>2,378,365</u>	<u>2,423,148</u>
<b>Current assets</b>			
Stocks: items for resale		731	815
Debtors and prepayments	10	14,026	40,429
Cash at bank and in hand		93,993	90,920
		<u>108,750</u>	<u>132,164</u>
<b>Creditors: amounts due within one year</b>	11	<u>(66,984)</u>	<u>(129,752)</u>
<b>Net current assets</b>		<u>41,766</u>	<u>2,412</u>
<b>Total assets less current liabilities</b>		<u>2,420,131</u>	<u>2,425,560</u>
<b>Funds</b>			
Unrestricted Funds:			
General funds		6,006	8,812
Designated funds	12	422,591	425,648
		<u>428,597</u>	<u>434,460</u>
Restricted Funds	13	1,991,534	1,991,100
		<u>2,420,131</u>	<u>2,425,560</u>

These financial statements have been prepared in accordance with the provisions of part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Trustees at their meeting on 21 July 2005 and are signed on their behalf by

  
Caroline Kay  
Chair of Trustees

  
Harriet Feilding  
Secretary and Treasurer

The accompanying accounting policies and notes form an integral part of these financial statements.

# **THE WILTSHIRE MUSIC CENTRE TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005**

### **1. ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention (modified by the revaluation of investments) and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000), applicable accounting standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are as follows:

#### **Incoming resources**

- Income from concerts is included in the period in which the relevant performance takes place;
- Legacies are included when the charity is advised that payment will be made or property transferred, and the amount involved can be quantified;
- When donors specify that donations and grants, including grants for the purchase of fixed assets, are for particular restricted purposes, the income is included as incoming resources of restricted funds when receivable. Grants received are deferred and recognised through the statement of financial activities in full when conditions for receipt are complied with;
- Investment income is included when receivable;
- Intangible income, including gifts in kind, is included at the trustees' valuation when known;
- No amounts are included in the financial statements for services donated by volunteers.

#### **Resources expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

#### **Pensions**

The charity operates a defined contribution pension scheme for the benefit of the staff. The scheme funds are administered by trustees and are independent of the charity's finances. Benefits under the scheme are dependent on contributions paid and the charity is not committed to the provision of a pension related to final salary. The charity's contributions are charged against income in the year in which they are made.

#### **Leasing commitments**

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the terms of the lease.

#### **Tangible Fixed Assets - freehold land and buildings**

Freehold property is included at original cost plus subsequent costs of additions. Depreciation is charged so as to write down the cost of the freehold property to its estimated residual value on a straight line basis over its expected useful economic life, assumed to be 50 years.

#### **Tangible Fixed Assets - other fixed assets**

Individual fixed assets costing £500 or more are capitalised at cost

Depreciation is calculated to write off the cost, less estimated residual values, of tangible fixed assets over their estimated useful lives to the charity. The annual depreciation rates and methods are as follows:

Plant and machinery	10 years/4 years
Musical instruments	10 years
Fixture, fittings & furniture	10 years/4 years
Office equipment	5 years

#### **Investments**

The investments held by the charity are stated at their open market value at the Balance Sheet date. Gains and losses on disposal and revaluation of investments are credited or charged to the Statement of Financial Activities.

#### **Stock**

Stock is valued at the lower of cost and net realised value.

# THE WILTSHIRE MUSIC CENTRE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### 1. ACCOUNTING POLICIES (continued)

#### Fund accounting

Funds held by the charity are either:

- Unrestricted general funds - these can be used in accordance with the charitable objects at the discretion of the trustees. Certain of these funds have been set aside by the trustees for specific future purposes or projects
- Restricted funds - these can only be used for particular restricted purposes within the objects of the charity. Amounts received in respect of the capital costs of the Centre have been shown as restricted funds. This treatment has been adopted as the trustees recognise that monies received have been earmarked by the donors for that particular project.

### 2. INCOME FROM OPERATION OF MUSIC CENTRE

	Unrestricted Funds		Restricted	Total	Total
	General	Designated	Funds	2005	2004
	£	£	£	£	£
Concert income	103,251	-	-	103,251	83,039
Rental income and lettings	87,354	-	-	87,354	77,502
Education project income	6,374	-	102,870	109,244	30,226
Bar and Box office takings	24,354	-	-	24,354	24,192
Sponsorship	8,317	-	-	8,317	4,050
	229,650	-	102,870	332,520	219,009

### 3. ANALYSIS OF RESOURCES EXPENDED

		Unrestricted Funds		Restricted	Total	Total
		General	Designated	Funds	2005	2004
		£	£	£	£	£
<b>Cost of generating funds</b>						
Marketing expenses - general		9,079	-	-	9,079	6,039
Fundraising costs		479	-	-	479	4,054
		9,558	-	-	9,558	10,093
<b>Cost of operation of Music Centre</b>						
Staff costs	Note 4	132,633	-	-	132,633	127,575
Concert and lettings costs		75,281	-	-	75,281	66,666
Music Centre running costs		74,278	-	-	74,278	51,227
Concert marketing costs		22,699	-	-	22,699	20,812
Bar and Box office costs		10,551	-	-	10,551	10,459
		315,442	-	-	315,442	276,739
Education project costs		5,078	-	58,154	63,232	28,979
Depreciation charges	Note 7	3,890	3,057	49,656	56,603	51,024
		324,410	3,057	107,810	435,277	356,742
<b>Management and administration</b>						
Office costs		23,712	-	-	23,712	22,867
Professional fees		7,685	-	-	7,685	887
Miscellaneous costs		2,704	-	-	2,704	3,181
		34,101	-	-	34,101	26,935
<b>Total resources expended</b>		368,069	3,057	107,810	478,936	393,770

# THE WILTSHIRE MUSIC CENTRE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2005

### 4. STAFF COSTS

	2005 £	2004 £
Wages and salaries	114,733	111,369
Social security costs	11,290	10,513
Pension costs	6,610	5,693
	<u>132,633</u>	<u>127,575</u>

The average full-time equivalent number of employees during the year was 6 (2004, 6), employed in running the Centre. No employee earned more than £50,000 per annum (2004 - none)

### 5. TRUSTEES' REMUNERATION

The trustees of the company received no remuneration or reimbursed expenses (2004 nil).

### 6. PENSION COSTS

The charity's contribution in the year was £6,610 (2004 £5,693); the amount of contributions due by the charity to the scheme at the year end is £3,183 (2004 £2,568).

### 7. NET INCOMING RESOURCES FOR THE YEAR

	2005 £	2004 £
This is stated after charging:		
Depreciation	56,603	51,024
Auditors remuneration:		
External audit	3,025	2,575
Other services	2,160	-

### 8. FIXED ASSETS

	Freehold land and buildings £	Fixtures , fittings, and instruments £	Plant and machinery £	Office equipment £	Total £
<b>Cost</b>					
At 1 April 2004	2,174,067	65,907	26,288	39,330	2,305,592
Additions	33,620	12,262	15,856	1,695	63,433
Disposals	-	(380)	-	-	(380)
At 31 March 2005	<u>2,207,687</u>	<u>77,789</u>	<u>42,144</u>	<u>41,025</u>	<u>2,368,645</u>
<b>Depreciation</b>					
At 1 April 2004	237,021	21,649	5,928	19,079	283,677
Charge for the year	38,599	7,633	3,667	6,704	56,603
Eliminated on disposal	-	-	-	-	-
At 31 March 2005	<u>275,620</u>	<u>29,282</u>	<u>9,595</u>	<u>25,783</u>	<u>340,280</u>
<b>Net Book Value</b>					
At 31 March 2005	<u>1,932,067</u>	<u>48,507</u>	<u>32,549</u>	<u>15,242</u>	<u>2,028,365</u>
At 31 March 2004	<u>1,937,046</u>	<u>44,258</u>	<u>20,360</u>	<u>20,251</u>	<u>2,021,915</u>

# **THE WILTSHIRE MUSIC CENTRE TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2005**

### **9. INVESTMENTS**

	2005 £	2004 £
Valuation at 1 April 2004	401,233	173,975
Amounts utilised during the year	(51,233)	-
Sale proceeds	-	(21,602)
Profit on disposal	-	247,627
Accrued year-end interest	-	1,233
Valuation at 31 March 2005	<u>350,000</u>	<u>401,233</u>

The investments are held as follows:

	£	£
Unit Trusts	38,787	-
Uninvested cash balances	311,213	401,233
	<u>350,000</u>	<u>401,233</u>

### **10. DEBTORS**

	£	£
Trade debtors	8,577	11,463
Other debtors	2,362	862
Prepayments	3,087	14,971
Accrued income	-	13,133
	<u>14,026</u>	<u>40,429</u>

### **11. CREDITORS: AMOUNTS DUE IN LESS THAN ONE YEAR**

	£	£
Trade creditors	13,651	7,553
Other taxes and social security	3,070	3,500
Other creditors and accruals	10,551	15,235
Third party concert ticket sales	16,969	24,714
Deferred income	22,743	78,750
	<u>66,984</u>	<u>129,752</u>

Deferred income comprises:

Grants received for Education Project	-	50,720
Ticket sales for after-date concerts	17,743	11,530
Grant funding received for future periods	5,000	16,500
	<u>22,743</u>	<u>78,750</u>

### **12. DESIGNATED RESERVES**

The designated reserve arose when the Centre received three legacies in 2002, mainly by way of shares, which were sold in the year ended 31 March 2004 giving rise to a fund value of £425,648. The Trustees have used these legacies to create an endowment fund with the intention that there be annual allocations for certain prioritised capital improvements. During the year the Trustees invested £350,000 of the Fund with Carr Sheppards Crosthwaite; in addition £52,606 was spent on improvements to the Centre, which have been capitalised and are being depreciated in accordance with the Trust's accounting policies. At 31 March 2005 there was £17,407 of un-invested cash left in the designated reserve.



# THE WILTSHIRE MUSIC CENTRE TRUST LIMITED

## **NOTES TO THE FINANCIAL STATEMENTS (continued)** **FOR THE YEAR ENDED 31 MARCH 2005**

### **13. RESTRICTED FUNDS**

The funds of the charity include restricted funds comprising the following donations and grants held on trust to be applied for specific purposes:

	At 1 April 2004 £	Incoming resources £	Outgoing resources £	Depreciation charges £	At 31 March 2005 £
<b>Capital Fund</b>	1,992,937	1,500		(49,656)	1,944,781
<b>Revenue Funds:</b>					
Education Projects fund	-	102,870	(58,154)	-	44,716
Donations from Friends etc	(1,837)	3,874	-	-	2,037
	<u>1,991,100</u>	<u>108,244</u>	<u>(58,154)</u>	<u>(49,656)</u>	<u>1,991,534</u>

Capital Funds represent donations to the charity to fund the initial development of the Centre, including a Lottery award amounting to £1,768,024, and to undertake subsequent improvements to the premises or to purchase specific assets; the annual charge for depreciation of these assets is charged against the appropriate funds.

Revenue Funds represent donations to the charity to undertake specific projects or fund certain costs.

### **14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 March 2005 are held as follows:

	Unrestricted Funds		Restricted	Total
	General	Designated	Funds	2005
	£	£	£	£
Tangible fixed assets	28,400	55,184	1,944,781	2,028,365
Investments	-	350,000	-	350,000
Current assets	44,590	17,407	46,753	108,750
Current liabilities	(66,984)	-	-	(66,984)
Net assets	<u>6,006</u>	<u>422,591</u>	<u>1,991,534</u>	<u>2,420,131</u>

### **15. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

At 31 March 2005 there were no capital commitments or contingent liabilities (2004 - none).