

Charity number: 1062049

Company number: 02944161

(England and Wales)

Lancaster Community Music Trust
Report of the Trustees and Unaudited Financial Statements
For the year ended 31 August 2020

**Lancaster Community Music Trust
Contents Page
For the year ended 31 August 2020**

Report of the Trustees	1 to 4
Statement of Financial Activities	5
Statement of Financial Position	6
Notes to the Financial Statements	7 to 9
Detailed Statement of Financial Activities	10

Lancaster Community Music Trust
Report of the Trustees
For the year ended 31 August 2020

The Trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements for the charitable company for the year ended 31 August 2020. The Trustees have adopted the provisions of 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 the Republic of Ireland (FRS102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objects of the company

The company's principal objects, as set out in the Memorandum of Association are:

"The promotion, improvement, development and maintenance of public education in, and appreciation of, music in the District of the City of Lancaster"

The company was formed in 1994 and has pursued its objects by establishing, managing and developing a Music Centre for the Lancaster District (known as the Lancaster Community Music Centre) that offers tuition in a variety of instruments on both a group and individual basis, to members of the public, of all ages and abilities. The Music Centre operates on Saturday mornings, largely during school terms, from premises at Lancaster Royal Grammar School.

There were no changes in the year in the policies adopted by the company in order to further its objects.

Organisation of the company

The company is governed by its Board of Trustees, consisting of not less than 3 members, which meets at least five times per year.

Objectives and aims

The trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

ACHIEVEMENTS AND PERFORMANCE

Progress in the year

The company continued to operate the Music Centre from its premises at Lancaster Royal Grammar School. Due to Covid-19 pandemic, the last session to operate in 2019-20 was on Saturday 7 March 2020.

The number of paying members was 120 (no change from 120 in 2018-19). Income from subscriptions £12,132 decreased compared with 2018-2019 (£15,134) - largely due to the trustees taking the decision to ask members for a much smaller subscription for the summer term 2020 when the centre was unable to operate.

Gift Aid claims for 2018-19 and 2019-20 were both received from HMRC in the financial year 2019-20, contributing to the maintenance of income

Paid ensemble hours remained at around 300 hours as in 2018-19, corresponding to around 10 hours/session.

In the summer term no ensembles were possible but the ensemble leaders were offered 50% payment – this offer was accepted by some of them (others did not take up the offer because of their involvement with government schemes). Some ensembles remained under voluntary leadership

Expenditure on renting premises was reduced, as only 19 of the usual 31 sessions for the year were charged.

**Lancaster Community Music Trust
Report of the Trustees Continued
For the year ended 31 August 2020**

Voluntary assistance

The company depends considerably on the commitment and enthusiasm of its volunteers. All of the management of the company is undertaken by unpaid volunteers.

FINANCIAL REVIEW

Review of financial position

The financial results for the year are as set out in the income and expenditure account on page 6 and the statement of financial activities on page 7. The position at the end of the year is shown in the balance sheet on page 8.

The main points arising from these accounts are as follows:

- (i) Total income from the company's activities decreased by 2.52% to £17,268 (2019- £17,715). The income within this sum (excluding donations and legacies) applied to the costs of operating the Music Centre decreased by £3,338 from £16,088 to £12750
 - (ii) Total expenditure of the company decreased by 14.29% to £15592 (2019 - £18406).
 - (iii) Income from donations and associated income tax recoveries increased from £801 to £4496.
- The revenue reserves of the company increased to £16,272 (2019 - £14596).

Fixed assets

Movements in fixed assets in the year are shown in note 4 to the accounts. Capital expenditure of £Nil (2019 - nil) took place in the year.

Valuation of fixed assets

The trustees consider the market value of the company's fixed assets to be more than their current book value but in the absence of a valuation are unable to quantify the excess..

Future plans and commitments

The company's finances are considered by the Trustees to be sufficient to meet all existing commitments.

(i) Connected charities

The company is not connected with, or affiliated to, any similar charities.

Reserves

The policy of the company is to eventually retain a working capital reserve equivalent to a year's running costs. This is to be achieved by stages. The reserve is considered to be the amount necessary to provide a sufficient financial cushion, should the company have to seek new premises for the Music Centre. For the 2019-20 year, as an interim measure, the policy is to retain a working capital reserve equivalent to 75 per cent of the running costs for the past year. The actual level of the reserve at 31 August 2020 was £15581 (2019 - £15581), compared to a required level of £11694

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Constitution and governing legislation

The charity is established as a limited company, without share capital, under the Companies Act 2006. Its operation is governed by its Memorandum and Articles of Association of 30 June 1994. The company number is 2944161. The company is a registered charity (no. 1062049).

**Lancaster Community Music Trust
Report of the Trustees Continued
For the year ended 31 August 2020**

Specific restrictions on the company

(i) Clause 4 of the Memorandum of Association of the company stipulates that the income and property of the company shall be applied solely towards the promotion of its objects and no portion is to be paid by way of dividend, bonus or otherwise to the members of the company. Additionally no trustee appointed to any office of the company is to be paid a salary, or receive any remuneration or other benefit from the company.

(ii) Clause 3.12 of the Memorandum of Association prohibits the company from combining with other entities unless their objects are the same or similar and their constitutions contain similar restrictions to that of the company concerning the distribution of profits.

(iii) Clause 7 of the Memorandum of Association states that upon the winding up or dissolution of the company any assets remaining, after the satisfaction of all liabilities, shall not be paid to or distributed among the members of the company, but shall be transferred to other charitable bodies having similar objects and which similarly prohibit the distribution of income or property among its members.

Full details of all the restrictions imposed on the company and the framework within which the company operates are contained in the Memorandum of Association.

(j) Investment powers

The company is permitted by its Memorandum of Association to invest any funds not immediately required for its purposes in any investments, securities or property as may be thought fit subject to such conditions as may for the time being be imposed or required by law

Recruitment and appointment of trustees

Appointment of trustees

The appointment of trustees is governed by provisions contained within the company's Articles of Association. These are as follows:

(i) At each annual general meeting one third of the members of the Board of Trustees must retire and, if desired, stand for re - election. The trustees to retire are those longest in office since their last election.

(ii) The company, at the annual general meeting, may fill the positions vacated by the retiring trustees by electing any persons thereto, or by re - electing the retiring members.

The Board of Trustees has the power to appoint any person to be a trustee either to fill a casual vacancy or in order to increase the number of trustees. Any trustee appointed in this way must retire at the following annual general meeting and stand for re - election, if desired, at that meeting.

(iv) Any member of the company, qualified to attend and vote at the annual general meeting, is entitled to propose the appointment of a person to act as a trustee.

Trustees' responsibilities

The trustees are required to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the surplus or deficit of the company for that year. In preparing those accounts the trustees are required to:

a) select suitable accounting policies and then apply them consistently,

b) make judgements and estimates that are reasonable and prudent;

c) follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts; and

d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that this basis applies. The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with all relevant legislation. 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.

**Lancaster Community Music Trust
Report of the Trustees Continued
For the year ended 31 August 2020**

REFERENCE AND ADMINISTRATIVE INFORMATION

Name of Charity	Lancaster Community Music Trust
Charity registration number	1062049
Company registration number	2944161
Principal address	4 Fairfield Close Lancaster England LA1 5NT

Trustees

The trustees and officers serving during the year and since the year end were as follows:

Mr N Gilliat
Mr R Frankland
Mr T Forsdick
Mrs B Pinkse
Mrs N Waller- Sargent
Ms P Hayashi
Dr B Taylor

Secretary

Mrs R Hutchison

Independent examiner

Fiona Wills Accountancy Services
Warton Suite
Clawthorpe Hall Business Centre
Burton in Kendal
Lancs
LA6 1NU

Bankers

NatWest Bank
PO Box 17
68 Church Street
Lancaster
LA1 1LN

Approved by the Board of Trustees and signed on its behalf by

23rd April 2021

Mr T Forsdick

Lancaster Community Music Trust
Statement of Financial Activities (including Income and Expenditure account)
For the year ended 31 August 2020

	2020	2019
	£	£
Income and endowments from:		
Donations and legacies	17,096	17,689
Investments	22	26
Total	<u>17,118</u>	<u>17,715</u>
Expenditure on:		
Raising funds	8,623	10,385
Charitable activities	5,202	6,552
Other expenditure	1,766	1,468
Total	<u>15,592</u>	<u>18,406</u>
Net income/expenditure	1,526	- 690
Reconciliation of funds		
Total funds brought forward	<u>13,906</u>	<u>14,596</u>
Total funds carried forward	<u>15,432</u>	<u>13,906</u>

Lancaster Community Music Trust
Statement of Financial Position
As at 31 August 2020

	Notes	2020 £	2019 £
Fixed Assets			
Tangible assets	10	<u>77</u>	<u>115</u>
		<u>77</u>	<u>115</u>
Current Assets			
Prepayments		25	
Cash at bank and in hand		<u>15,809</u>	<u>14,271</u>
		<u>15,834</u>	<u>14,271</u>
Creditors: amounts falling due within one year	11	480	480
Net current assets		<u>15,354</u>	<u>13,791</u>
Total assets less current liabilities		<u>15,431</u>	<u>13,906</u>
Net assets		<u>15,431</u>	<u>13,906</u>
The funds of the charity			
Unrestricted funds	12	<u>15,431</u>	<u>13,906</u>
Total funds		<u>15,431</u>	<u>13,906</u>

For the year ended 31 August 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

- The members have not required The company to obtain an audit of its accounts for The year in question in accordance with section 476,
- The trustees acknowledge their responsibilities for complying with The requirements of The Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statement were approved and authorised for issue by the Board and signed on its behalf by:

Mrs N Waller-Sargent
Trustee
23 April 2021

Lancaster Community Music Trust
Notes to the Financial Statements
For the year ended 31 August 2020

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value and the revaluation of certain fixed assets and in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

Lancaster Community Music Trust 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).

2. Income from donations and legacies

	2020	2019
	£	£
Unrestricted funds		
Donations received	12,132	16,115
Café	722	1,090
Gift Aid	4,242	
Subscriptions received		
	<u>17,096</u>	<u>17,205</u>

3. Investment income

	2020	2019
	£	£
Unrestricted funds		
Bank interest receivable	22	26
	<u>22</u>	<u>26</u>

4. Expenditure on generating donations and legacies

	2020	2019
	£	£
Unrestricted funds		
Donations	8,078	9,582
Legacies	-	90
Support costs	480	749
	<u>8,558</u>	<u>10,421</u>

5. Costs of charitable activities by fund type

	2020	2019
	£	£
Unrestricted funds		
Support costs	5,202	6,552
	<u>5,202</u>	<u>6,552</u>

Lancaster Community Music Trust
Notes to the Financial Statements Continued
For the year ended 31 August 2020

7. Analysis of support costs	2020	2019
	£	£
Governance costs	5,682	7,301

8. Net income/(expenditure) for the year	2020	2019
This is stated after charging/(crediting):	£	£
Depreciation of owned fixed assets	38	59
Accountancy fees	480	<u>480</u>

9. Comparative for the Statement of Financial Activities

The comparative year values on the Statement of Financial Activities are for unrestricted funds.

10. Tangible fixed assets

Cost or valuation	Plant and machinery £	Fixtures and fittings £	Total £
At 01 September 2019	14,621	636	15,257
At 31 August 2020	<u>14,621</u>	<u>636</u>	<u>15,257</u>
Depreciation			
At 01 September 2019	14,506	636	15,142
Charge for year	38	-	38
At 31 August 2020	<u>14,544</u>	<u>636</u>	<u>15,180</u>
Net book values			
At 31 August 2020	<u>77</u>	<u>-</u>	<u>77</u>
At 31 August 2019	<u>115</u>	<u>-</u>	<u>115</u>

11. Creditors: amounts falling due within one year	2020	2019
	£	£
Accruals and deferred income	480	480
	<u>480</u>	<u>480</u>

12. Movement in funds

Unrestricted Funds	Balance at 01/09/2019 £	Incoming resources £	Outgoing resources £	Balance at 31/08/2020 £
<i>General</i>				
General	13,905	17,268 -	13,335	17,838
	<u>13,905</u>	<u>17,268 -</u>	<u>13,335</u>	<u>17,838</u>
Unrestricted Funds - Previous year				
<i>General</i>				
General	14,596	17,715 -	18,406	13,905
	<u>14,596</u>	<u>17,715 -</u>	<u>18,406</u>	<u>13,905</u>

**Lancaster Community Music Trust
Notes to the Financial Statements
For the year ended 31 August 2020**

Purpose of unrestricted Funds

General

The charity exists to provide education in music to all ages to residents of the district of Lancaster

13. Analysis of net assets between fund

	Tangible fixed assets	Net current assets / (liabilities)	Net Assets
	£	£	£
Unrestricted Funds			
<i>General</i>			
General	<u>77</u>	<u>15,328</u>	<u>15,405</u>
	<u>77</u>	<u>15,328</u>	<u>15,405</u>

	Tangible fixed assets	Net current assets / (liabilities)	Net Assets
	£	£	£
Unrestricted Funds - Previous year			
<i>General</i>			
General	<u>115</u>	<u>13,790</u>	<u>13,905</u>
	<u>115</u>	<u>13,790</u>	<u>13,905</u>

**Lancaster Community Music Trust
Notes to the Financial Statements
For the year ended 31 August 2020**

	2020	2019
	£	£
INCOME AND ENDOWMENT		
Donations and legacies		
Donations	16,599	17,870
Café	1,090	1,482
Grants receivable		
Subscriptions		
	17,689	19,352
Investments		
Bank interest receivable	26	146
	26	146
Total incoming resources	17,715	19,498
EXPENDITURE		
Raising donations and legacies		
Donations	9,731	9,123
Legacies	531	765
	10,262	9,888
Other		
Insurance	570	570
Repairs		172
Advertising		161
Sundry Expenses	272	117
Office Expenss	269	332
	1,111	1,352
SUPPORT COSTS		
Governance costs		
Accountancy	480	379
Other Office Expenses		521
	6,552	8,136
	7,032	9,036
Total resources expended	18,405	20,276
Net Expenditure	(690)	(778)

This page does not form part of the statutory financial statements