



# **NATIONAL FEDERATION OF MUSIC SOCIETIES**

Trading as Making Music

**Annual Report and Financial Statements**

**For the year ended 31 December 2019**

Company Number 308632

Registered Charity in England and Wales Number 249219

Registered Charity in Scotland Number SC038849



*Chili Road Band*



*Irish Video Game Orchestra*

Contents	Pages
Directors' and trustees' report	1
Independent auditor's report	16
Consolidated statement of financial activities	19
Consolidated balance sheet	20
Charity balance sheet	21
Consolidated statement of cashflows	22
Notes to the financial statements	23

## Reference and administrative details

Name of Charity	National Federation of Music Societies Trading as Making Music
Company Number	308632
Charity Number	249219 (England) SC038849 (Scotland)
Principal Office & Registered Office:	8 Holyrood Street London SE1 2EL
Directors and Trustees:	Dorothy Wilson MBE FRSA ( <i>Chair</i> ) Clare Birks ( <i>Vice Chair; Treasurer from 3 July 2019</i> ) Peris Roberts ACMA ( <i>Treasurer</i> ) <i>resigned 3 July 2019</i> Celeste Berteau Heather Catchpole <i>retired 4 March 2020</i> Abby Charles Robert Guest <i>appointed 3 July 2019</i> Chris Goodall <i>retired 3 July 2019</i> Paul Graham Paul McKinley Andrew Rixon <i>appointed 3 July 2019</i> Glynne Stackhouse <i>resigned 20 May 2020</i> Valerie Taylor
Key Management:	
Chief Executive	Barbara Eifler
Finance Director	Workineh Asres (until 31 October 2019) Helen Evans FCA DChA (from 20 April 2020)
Membership & Operations Director	Ben Saffell
Marketing & Communications Director	Elizabeth Clark
Bankers:	CAF Bank Ltd 25 Kings Hill Avenue West Malling Kent ME19 4JQ
Independent Auditor:	Amy S Healey FCA CTA DChA Lindeyer Francis Ferguson Limited Chartered Accountants North House 198 High Street Tonbridge Kent TN9 1BE

## Making Music - who we are

Making Music is a charity and the UK association for leisure-time music, with around 3,700 music groups in membership, representing about 200,000 hobby musicians.

We support our members with practical services and artistic development opportunities, and we celebrate and advocate for the leisure-time music sector, its breadth and variety, and its benefits for individuals and communities.

## Summary of the year

2019 was another really successful year for Making Music, expanding our resources and delivering services to more groups, supporting members.

In particular, we developed a new and affordable service, **MM Platform**, which enables groups to run themselves efficiently and have an online public presence, all through one integrated web platform.

We are also delighted that our Orchestra Tax Relief service enabled 24 groups to claim a total of £58,394, which will help sustain their activities and enable more people to participate and enjoy leisure-time music.

We were able to celebrate our members in another first for us: an exhibition, **Making Music Together**, at the Barbican Music Library in London, which was then digitised and thus remains available for the long term. And **Make Music Day UK**, an ideal project to give our members and leisure-time music a national and international platform, doubled again in size to over 1,100 performances, 29,000 performers and more than 141,000 audiences.

We were delighted to welcome the composer **Debbie Wiseman OBE** as our new President, and presented our Sir Charles Groves Prize to Creative United's **Take It Away** scheme, in recognition of its outstanding contribution to inclusion and access for adult music learners.

As usual, we were also kept very busy responding to consultations on behalf of the leisure-time music sector, and in particular co-ordinating our members' response to the **PRS for Music consultation** on the Live Tariff for classical music which is very significant for the sector.



Making Music Together, Barbican Music Library exhibition

The trustees (who are also the directors of the company for the purposes of company law) present their report together with the audited group and parent charity financial statements for the year ended 31 December 2019. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and in accordance with the governing document, current statutory requirements and 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 Republic of Ireland (FRS 102)" (effective 1 January 2019) - (Charities SORP).

## Objectives and Activities

### What does Making Music do?

- **Support members:** practical services and artistic development opportunities to enable everyone and anyone to set up and run a leisure-time music group; and for groups to keep growing, find inspiration and aspire to excellence
- **Support leisure-time music:** standing up for and celebrating the leisure-time music sector; to policy makers so that policy can take into account the individual and community benefits of participating in music as a hobby; and to the general public so that more and new people are able to draw down such benefits

### Our Vision

Everyone has opportunities within reach to make and present their kind of music with others.

### Our Mission

Making Music is a membership organisation which supports, stands up for and celebrates groups of people making and presenting music together in their leisure time across the UK.

### Our Objectives

In the five years of our current business plan (2017-2021), Making Music will ...

1. Help Making Music groups become stronger and better able to connect with new members and audiences
2. Stand up for and celebrate Making Music groups, their members, and others coming together to make or present music in their leisure time across the UK
3. Invite and welcome all kinds of music groups to become part of the Making Music community

### How do our activities benefit the public?

Our main activities and who we support are described below. All our charitable activities focus on our charitable objective to 'maintain, improve and advance education by promoting the art and practice and public performance of music throughout the United Kingdom and in other countries' and are delivered to further that charitable purpose for the public benefit.

The trustees have complied with their duty to have regard to the Charity Commission's guidance on public benefit when exercising any powers or duties to which the guidance is relevant.

The trustees are confident that Making Music's activities offer public benefit:

- All individuals in society have the potential to benefit from the activities of Making Music, for example its publicly available search facility on the website ('Find-A-Group'), and from the activities of its members, either by joining a leisure-time music group or experiencing their performances, workshops and other events.
- Making Music's advocacy work is of benefit to all, whether or not they are involved in music already, by seeking to maintain or establish an environment in which live music-making by and for everyone can flourish and be available to participants and audiences in communities across the UK.
- There are no restrictions on membership of Making Music, any leisure-time music group can become an Associate Member, although Full Membership is restricted to not-for-profit constituted groups.
- Financial assistance with joining Making Music is considered in cases of individual hardship. Since 2015 Making Music has had a specially reduced rate (50% discount) for new groups just setting up and for those with an income below £1,000.

## How does society benefit?

Leisure-time music groups made up of hobby musicians create many benefits for the individuals taking part in their musical activity; for the individuals experiencing the resulting performances; and for the communities in which they are active.

- **For individuals**, there is now a large and growing body of research which provides clear evidence of the social, physical and mental health and well-being benefits of group music activity.
- **For society**, there is a developing evidence base to show that connectedness across socio-economic and cultural divides within communities through group activity brings many benefits to a local area, including making it a more desirable place to live and work, contributing to place-making and regeneration. Leisure-time music groups also raise millions of pounds annually for often local charities and community resources.
- **For the economy**, these groups collectively have a significant financial impact. Whilst small individually (69% have a turnover of below £14.5k a year), they are estimated to be around 16,000 in number across the UK, comprising around 800,000 participants. 98% of them engage professional musicians in some capacity (conductors, soloists, accompanists, etc.), with fees an estimated £86.4m a year; commissioning 2,000 new pieces of music annually; spending significantly with suppliers such as music publishers (£6.4m a year), retailers (instruments, accessories), on promotion, etc.

All these benefits are created by usually very small volunteer-led and -run groups. Making Music's support enables them to continue providing these benefits to individuals and society and facilitates more and new people benefitting by joining or setting up such music groups.

## Thanks

The Board would like to thank the **staff** throughout the UK who continue to put in a huge effort on behalf of members. We are fortunate that every member of staff is deeply committed to the cause of live music-making in communities.

Our thanks must also go the **funders** who have made such a substantial contribution during 2019. These are: Arts Council England; Creative Scotland; PRS for Music Foundation; Philip & Dorothy Green Music Trust; Pauline Thompson legacy

Making Music also owes its **101 volunteers** a large debt of thanks and would like to take this opportunity to thank them and pay tribute to their dedication and enthusiasm:

1 President, 11 Board members, 60 Listeners, 2 office volunteers, 9 Selected Artists Panel members, 5 Youth/Online volunteers, 2 Funding volunteers, 2 Digital volunteers, 1 Web Content volunteer, 8 Member Contact volunteers

*I became a volunteer just after I retired from a scientific career in 2006. I've always been a keen amateur musician and benefitted from Making Music, so I thought it would be a good way of giving something back for all those years of enjoyment*

## Achievements and Performance

### Our Activities and Objectives

#### Supporting members:

##### 1. Practical services and artistic development opportunities

What we do every year, and numbers for 2019 (2018 in brackets where available)

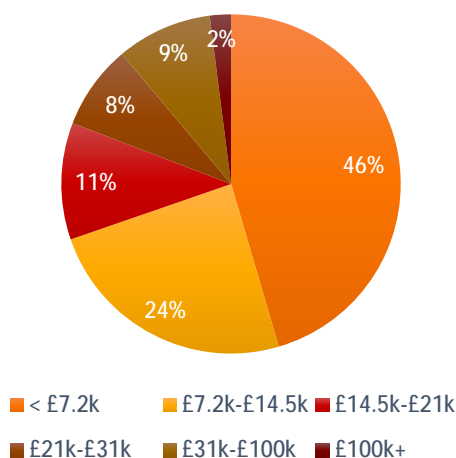
- Ø Our tailor-made affordable insurance covers all aspects of leisure-time music group activity and is made possible by our buying power on behalf of over 3,600 groups.  
95% (97%) of members took insurance in 2019.
- Ø We offer guidance on Performing Right Society (PRS) responsibilities and a way of declaring and paying PRS royalties for performances in unlicensed venues via us, with a discount.  
£132,076 (£109,225) royalties collected from members.
- Ø Safeguarding guidance, templates, training and Disclosure & Barring Services checks  
323 (312) DBS checks carried out  
17 people from 16 groups undertook specially developed online safeguarding training
- Ø Advice and support via email or telephone from friendly and well-trained staff who understand how groups are run and what their issues are  
Over 1,400 (2,000) phone calls with 800+ (1,100+) groups
- Ø 200+ online resources in three categories: 'have to know or do' (e.g. risk assessment); 'help to run the group better' (e.g. how to maximise income); 'inspiration for a brighter future' (e.g. how to engage new participants and audiences). Resources include written and audio-visual guidance, flow-charts, template policies and contracts, case studies, online tools (e.g. funding finder)  
17 (50) new online resources, 5 (12) updated  
Viewed 214,099 times  
1.09m total website page views
- Ø Dissemination of information: Highnotes membership magazine three times a year; iNotes monthly e-newsletter (available to all); emails on specific opportunities  
6,875 (6,793) received Highnotes  
11,719 (10,948) on iNotes mailing list  
231 (145) broadcast emails to 446,809 (466,368) recipients

- Ø Discounts and subsidies: discounts negotiated with corporate members and partners;  
three significant subsidies towards cost of engaging professional musicians  
Discounts on sheet music, travel, technology, training, hearing protection, VAT advice, instruments, ticketing, concertwear, music lessons  
Subsidies of £12,100 (£9,700) to 53 (40) groups towards engaging Philip & Dorothy Green Young Artists; £3,475 (£2,950) to 31 (51) groups towards artists' costs
- Ø Specific services: e.g. charity registration service, Orchestra Tax Relief (OTR) service  
Helped 12 (21) groups register as charities  
9 new groups registered for OTR, 24 successful claims, £58,394 claimed
- Ø Promotion: Find-a-group online tool to enable public to discover a leisure-time music group near them; events listings to enable public to discover performances in their area; vacancies for groups to engage the music professionals they need  
128,670 Find-a-Group pages viewed  
58,753 times Events pages accessed  
89,869 times Vacancy pages viewed
- Ø Artistic development: Adopt a Composer; legacy pieces free to Making Music groups  
6 composers 'adopted' by 6 groups, 6 new pieces successfully premiered
- Ø Artistic development: occasional commissions  
Danyal Dhondy commission still available free (2018-2020)
- Ø **\*NEW\*** Artistic development: support for instrumental group conductors  
pilot course for instrumental group conductors with Orchestras For All
- Ø Programming and repertoire inspiration via our online Music Bank database  
18,776 (18,547) artistic works listed  
13,669 (12,846) items of sheet music available through member-to-member exchange  
5,693 (5,518) programme notes available free  
23,007 Music Bank webpages viewed
- Ø Artists available for engagements with leisure-time music groups, specially selected, with subsidies via our annually published Selected Artists Guide  
**\*NEW\*** Guide also included 14 composers and 7 singers
- Ø Events: annual general meeting, Making Music (consultative) Council meetings, local meetings and events
- Ø We held 44 (28) Information & Advice events, broken down by nation as follows:

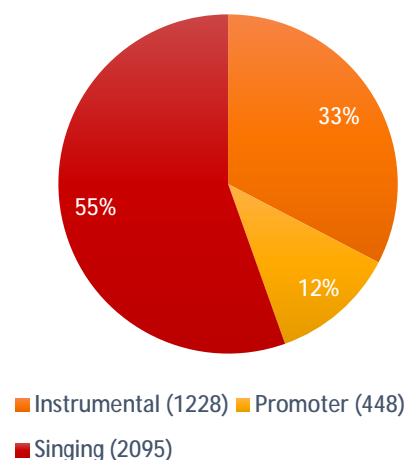
Nation	Number of events 2019	Number of attendees 2019	Number of events 2018	Number of attendees 2018
England	38	702 (av. 18.5 per event)	20	309 (av. 15.5 per event)
Scotland	4	48 (av. 12 per event)	5	51 (av. 10.2 per event)
Wales	1	10 (av. 10 per event)	3	32 (av. 10.6 per event)
Northern Ireland	1	10 (av. 10 per event)	0	n/a
<b>Total</b>	<b>44</b>	<b>770 (av. 17.5 per event)</b>	<b>28</b>	<b>392 (av. 14 per event)</b>

- Ø Ran 7 (6) free events to help groups understand how to recruit and retain members, particularly younger ones, and ran online Youth Health Checks, for groups to understand how to maximise their online presence, delivered to **96 (23) groups**
- Ø Average attendance figures are up in all nations, and we are now **engaging with 13% of our members** annually in this way.
- Ø We also continued with multiple **Making Music Council meetings**, to enable more members to take part and inform what Making Music does and how it delivers its support to the sector.  
**7 meetings in 4 nations, 75 (71) attendees**
- Ø **\*NEW\*** We introduced a new service: **MM Platform**. This gives groups an affordable online administration platform, including the ability to take payments, communicate with members and audiences, set up events and sell tickets, manage their committee etc., integrated with a public-facing website which can be customised to their branding. This service will help groups run themselves easily and efficiently, and present well online to attract new members and audiences.  
**29 MM Platforms set up (from July 2019)**
- Ø We benefitted 5.5% (5%) more groups:  
**3,152 (3,100) full members, 324 (294) associate members, 295 (179) affiliate members  
TOTAL 3,771 (3,573)**
- Ø We supported **2,095 (2,045) singing groups** (55% [58%] of members), **1,228 (1,093) instrumental groups** (33% [31%]), **448 (435) promoters** (12%)
- Ø Groups' annual income: 46% < £7.2k; 24% £7.2k-£14.5k; 11% £14.5k-£21k; 8% £21k-£31k; 9% £31k-£100k; 2% £100k+
- Ø Our members are overwhelmingly very small and run by volunteers, yet significantly benefitting their participants and their communities - that's why they need and deserve our support.

**Group's annual income**



**Group types**



## Supporting leisure-time music:

### 2. Standing up for and celebrating the leisure-time music sector

#### CELEBRATING What we do every year, and numbers for 2019

- Ø **Promote leisure-time music groups** via our online Find-a-Group tool, our Events calendar, our communications, incl. Highnotes magazine, iNotes e-newsletter, Selected Artists Guide, PR, social media (Twitter, Facebook and Instagram)

3 editions of Highnotes, 12 editions of iNotes, 9 press releases  
18,102 followers on Twitter, 1,273 on Instagram, 10,678 Facebook page likes
- Ø Offer groups **performance opportunities**, e.g. on (international) Make Music Day (21 June annually), to highlight the achievements and offer of leisure-time music groups to a wider public, locally, nationally and internationally

Increased our support for Make Music Day, to reflect its significance as a vehicle to celebrate leisure-time music making:  
3 events run by Making Music in Cardiff, Edinburgh, Bristol  
Co-chaired steering group of Make Music Day UK 2019, achievements:  
1,103 live performances (2018: 498), 132 digital performances (60), 29,353 performers (6,792), 429 venues (202), 141,341 audience (live & online) (114,417)
- Ø Develop **broadcast opportunities**, e.g. Classic FM annual broadcast of carols by Making Music groups; BBC Radio 3 broadcast of Adopt a Composer pieces, including interviews, to raise the profile of groups and the sector

5 groups featured on Classic FM Drivetime in December 2019  
6 groups featured on BBC Radio 3 as part of Adopt a Composer project
- Ø **Present three awards:** Sir Charles Groves Prize, for an individual or organisation who has made a significant contribution to the musical life of the UK; Lady Hilary Groves Prize, for an individual who has made a significant contribution to the musical life in their community; Presidents Award, for a volunteer who has made a significant contribution to Making Music and its members; the awards are an opportunity for Making Music to celebrate the leisure-time music sector

Sir Charles Groves Prize to Take It Away, for its support of adult music-making  
Lady Hilary Groves to Andrew Jackson, founder of the Cobweb Orchestra  
Presidents Award to Elaine Fox, long-standing volunteer for Making Music
- Ø **\*NEW\*** Appointed **new President Debbie Wiseman OBE**, eminent composer
- Ø **\*NEW\*** Created an exhibition, **Making Music Together**, at the Barbican Music Library, celebrating and showcasing the leisure-time music sector, digitised post-event for our website as a permanent record

Seen by 16,500 visitors Jan-March 2019  
Viewed 506 times on website since July 2019



Make Music Day, London tube station performance



Presenting Presidents Prize at Annual General Meeting

## STANDING UP FOR What we do every year and activity in 2019

- Ø Work with **partners and signpost** to festivals and opportunities which increase awareness of groups and the sector

Engaged with Get Creative festival, Learn to Play Day, Fun Palaces

Engaged with new international partners, to highlight the UK leisure-time music sector & create new partnerships: attendance at Make Music Day conference (Germany), 3x Amateo (European Network) events, and World Music Forum

- Ø **Respond** to consultations, new policies, enquiries, new initiatives, to ensure policy makers and bodies whose decisions affect the leisure-time music sector are aware of it and consider it when creating legislation and regulation; and to give members a strong voice to achieve change where needed

England: Arts Council 10 year strategy

Scotland: National Planning Framework 4

Wales Culture, Welsh Language & Communications committee: live music & venues

UK: PRS for Music consultation on increase in Live Tariff for classical music

- Ø **Support, initiate and disseminate research** which explains the benefits of active participation in music to policymakers and provides evidence for these benefits

WHO European Region Health Evidence Network report on the role of arts in improving health & well-being (shared)

House of Commons Digital Culture Media and Sport Committee report on the social impact of participation in culture and sport (shared)

Research on music libraries via Music Libraries Trust (commissioned)

- Ø **Engage with the professional music and other relevant sectors** (e.g. performing arts, education, health & well-being, charitable) to ensure the leisure-time music sector is understood and considered in their activities, where relevant

Association of British Orchestras, Music Industries Association annual conferences

Advocacy networks: What Next? (UK, Scotland, Wales), Cultural Campaigning Network (UK), Music Network UK, Culture Counts (Scotland), Scottish Parliament Cross-Part Group on Music

Organised and chaired 2x meetings of Singing Network UK, drawing together 27 UK organisations with involvement in singing

Hosted a table for partners at the Epic Awards which celebrate leisure-time activity  
CEO engagement as trustee for Voluntary Arts, Music Libraries Trust, New Surrey Performing Arts Library, National Music Council

- Ø **Proactively work to effect change** where the sector is adversely affected by, e.g., local authority cuts or changes to music education

Working proactively to resolve issues around **child licensing for live performances**

Exploring **performance venue issues** for leisure-time music groups (Newcastle)

**Arts & Health**: joined Cultural Health & Well-Being Alliance; partner in Dementia Inclusive Network (Scotland); social prescribing pilot with Chiltern Music

**Music libraries**: work in Bristol, Oxford, Surrey; Arts Council England seminar

**Music Education**: supported Bacc for the Future campaign;

attended Music Industries Association's Education Committee & conference;

contributed to Music Education Forum;

hosted session on partnership at Music Mark conference;

joined the Music Education Partnership Group (Scotland);

promoted the #ChangeTheTune campaign (Scotland);

hosted a symposium on Adult Music Learning attended by 32 industry organisations

## Supporting leisure-time music:

3. Invite and welcome all kinds of music groups to become part of the Making Music community

## What we did in 2019

This objective in 2017 led to research into leisure-time music across a variety of musical genres, and their need for support, development and a voice. The research concluded in 2018 with the **Exploring Music Making** report, and a Stage 1 implementation plan.

A first result was closer collaboration and **partnership agreement with Brass Bands England**. This was further developed in 2019, when we also started looking at joining forces to provide help for members on child licensing; this work should come to fruition in 2021.

Further activity in 2019 included developing a specific **project to support promoters in jazz, folk, and small volunteer-run festivals** which is now planned for 2021.

Making Music also started developing its connections with a range of network organisations in folk and jazz as a foundation for closer collaboration and mutual support in the future.

## Plans for Future Periods

### Plans for 2020:

- The business plan, our vision, mission and objectives, are valid until 2021
- We will encourage take-up of MM Platform to enable groups to run themselves efficiently
- We will continue to support groups to claim Orchestra Tax Relief
- We will explore introducing a Gift Aid service for members
- A pilot project to help promoters in classical, jazz and folk rejuvenate themselves
- We will start consultations to lead to a new website being commissioned in 2021
- Create an Adult Music Learning manifesto, to launch in March 2020
- Introduce new awards: best music creator, best arranger, best new music project by a group, best photo capturing the spirit of a leisure-time music group

## Impact of Covid-19 on 2020 plans:

- We are still **supporting members** and **supporting leisure-time music** - though that work is delivered in part differently from what was anticipated at the end of 2019
- Of the plans outlined above, **all will be going ahead**; the creation of a Gift Aid service and the promoter project are now envisaged for 2021, the first due to capacity (staff priorities), the second because it depends on live concerts, currently not feasible
- The **Adult Music Learning Manifesto** launched successfully in March, but has been eclipsed since then by Covid-19. It will be refreshed and relaunched in September 2020
- **Supporting members**: we have created practical and inspirational resources focused on music groups' challenges around Covid-19; hosted multiple weekly Zoom meetings; and engaged two digital producers to help member groups move their activity online
- **Supporting leisure-time music** through Covid-19: we have read and summarised research specific to music-making and the virus from around the world; co-ordinated member and sector responses to government consultations, and collaborated with others to alert policy makers to the needs of the sector and its participants in the current situation
- **Supporting leisure-time music** in the current situation has also meant celebrating it with the creation of a Virtual Concert Series fortnightly from May to September, each with 9 member groups; and commissioning a digital project with 199 members' submissions and hosting 1 hr 45 mins of broadcast from around the UK for (virtual) Make Music Day.
- We believe we are supporting our members and the sector in the way that they need and wish us to do at this time. We have swiftly and successfully adapted the running of the organisation, the delivery of services and the representation of the sector to a new and unexpected situation. Therefore we believe we be able to continue through 2020 and into 2021 as a robust and useful organisation for the beneficiaries we aim to help.



Making Music Virtual Choir and Ensemble, June 2020

---

## Financial Review

### Financial result for 2019

The overall net income for the year was £12,825 (2018: net expenditure of £38,604) with net unrestricted income of £40,764 (2018: £9,941) which allowed us to increase our reserves.

Total income of £730,049 (2018: £643,790) included membership income of £495,093 (2018: £440,774), an increase driven by higher membership numbers.

The increase in income enabled increased spending on the charity's activities. Total expenditure for the year was £729,605 (2018: £669,697), including restricted expenditure of £164,824 (2018: £142,890).

The trading subsidiary, NFMS Enterprises Limited, generated a profit of £11,089 (2018: £11,352).

### Reserves Position

The total funds held at the end of the year were £872,259 (2018: £859,434).

Of these funds £403,370 (2018: £383,649) were held in an expendable endowment fund and £105,160 (2018: £152,820) in funds held for restricted purposes.

A total of £97,311 (2018: £87,096) was held in designated funds to spend on projects and commitments in 2020 and 2021.

The remaining unrestricted general funds of £266,418 (2018: £235,869) include £46,273 (2018: £39,494) which can only be realised by disposing of fixed assets.

### Reserves Policy

It is the policy of the charity to maintain adequate reserves to cover between 3 and 6 months of unrestricted expenditure. Current unrestricted reserves are £363,729. After deducting designated funds and fixed assets, the remaining free reserves of £220,145 (2018: £196,375) represent 4.9 months' (2018: 4.8 months') of unrestricted expenditure less depreciation (based on current year figures) which is within the parameters of the reserves policy.

### Investment Policy

It is the policy of the charity to place funds in low risk investments, such as deposits with banks or the Charities Official Investment Fund (COIF), and to invest in CAF managed Equity funds.

The investment objective is to maintain the real capital value of the Endowment, whilst generating a sustainable level of investment income to support current charitable activities.

The capital value of the investment fund increased by £12,381 this year to £139,721 (2018: a decrease of £12,697). This represents an increase of 16.4% in the amount originally invested (most recent addition in 2016). Investment income earned on the fund was £5,442 (2018: £4,910).

## Going Concern and the Financial Impact of Covid-19

The charity was fortunate to collect the majority of its annual income, from group membership subscriptions, in the first quarter of 2020. During the second quarter of 2020, the Board approved investment in additional resources to support members through the uncertainty of Covid-19. Cost savings from travel restrictions and moving activities online helped to steady the overall financial position.

The financial statements are prepared on a going concern basis. At the date of approving the report and accounts, the Board believes there are no material uncertainties about the charity's ability to continue as a going concern. The Board's Finance & Compliance committee continues to monitor the developing economic situation, reviewing management accounts and reforecasts on a regular basis.

## Other Principal Risks and Uncertainties

The Board has carried out a review of the major risks to which the charity is exposed and has put in place controls and activities to mitigate those risks which are within their control to influence.

Risk	Impact x Likelihood	Mitigation
Loss of group membership	5x1= 5 (low)	<ul style="list-style-type: none"> <li>- listen to sector on needs and deliver accordingly</li> <li>- maintain &amp; develop services and deliver them effectively</li> </ul>
Lack of financial sustainability	5x2=10 (low)	<ul style="list-style-type: none"> <li>- focus on member recruitment/retention</li> <li>- develop more earned income streams</li> <li>- raise additional funding for projects</li> <li>- implement individual giving/legacies ask</li> <li>- contain costs</li> </ul>
Weak governance	4x3=12 (medium)	<ul style="list-style-type: none"> <li>- invest time and care in Board development, induction, skills balance</li> <li>- policies, procedures &amp; processes in place, with compliance oversight clearly assigned, and staff, Board &amp; volunteers trained</li> <li>- keep abreast of regulatory changes and best practice</li> <li>- annual thorough review of risk assessment</li> </ul>
Infrastructure/ resources failure	4x3=12 (medium)	<ul style="list-style-type: none"> <li>- strong focus especially on up to date and fit for purpose IT infrastructure</li> <li>- strong focus on cyber security and secure data management</li> <li>- appropriate insurance policies</li> <li>- best practice HR management, focussing on support and development of staff</li> </ul>
Reputational damage	3x1=3 (low)	<ul style="list-style-type: none"> <li>- Guidelines for staff and Board external representation</li> <li>- Emergency media plan in place</li> <li>- Communicating regularly within sector to foster understanding</li> </ul>
Negative impact of environment	2x2=4 (low)	<ul style="list-style-type: none"> <li>- Regular and systematic monitoring of external environment for potential threats</li> <li>- Addressing potential threats through proactive joint action with others</li> </ul>

## Structure, Governance & Management

Making Music's governing documents are its Memorandum and Articles of Association. As well as being a registered charity in England and Wales, Making Music is a registered charity in Scotland and is a company limited by guarantee.

Making Music's Board of Directors is made up of 9 trustees elected by and from the membership and up to 3 trustees co-opted by the Board of Directors. The Chair, Vice Chair and Honorary Treasurer are elected by the Board from among their number and can serve in their role for up to two terms of three years each. Co-opted trustees can serve up to two terms of three years each.

Every year, a third of elected trustees retire; retiring trustees can put themselves forward again for election for a maximum three terms of three years each; a call is put out to members for nominations and when there are more nominations than vacancies, an election is held (this is usually the case), with the result announced at the Annual General Meeting.

When a new trustee is appointed or co-opted, they receive a full day induction from the Chief Executive and Chair, including on procedures, policies, strategy, and have an opportunity to meet all the staff of the charity.

### Organisation

Overall responsibility for the Charity's strategy and direction rests with the Board of Management, which comprises all Directors. The carrying out of day-to-day activities is delegated to the staff under the management of the Chief Executive.

A remuneration committee of the Board sets the pay structure for all staff. If applicable, any annual percentage increase is applied consistently to all staff.

### Subsidiaries

The charity has a trading subsidiary, NFMS Enterprises Ltd, whose accounts are reported separately, and are consolidated into these accounts.



Weymouth Ukuleleans



The choir with no name

---

## Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and accounts in accordance with applicable law and regulations.

The Trustees are the company's Directors. Company law requires the Directors to prepare accounts for each financial year. Under that law they have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the Directors must not approve the accounts unless they are satisfied that they 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 preparing these accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

In accordance with company law, the trustees, as the company's Directors, certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the Board on 29 July 2020.

By order of the Board

Dorothy Wilson MBE FRSA  
Chair

## Opinion

We have audited the financial statements of National Federation of Music Societies ("the parent charitable company") and its subsidiary (together "the group" for the year ended 31 December 2019, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Statement of Cash Flows, and the 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 group's and the charitable company's affairs as at 31 December 2019 and of the group's 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 group and charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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

## Other information

The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

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, which includes the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' 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 group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

---

## Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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](http://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 charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....  
**A S Healey FCA CTA DChA (Senior Statutory Auditor)**

For and on behalf of:

**Lindey Francis Ferguson Limited**

Statutory Auditor

Chartered Accountants

North House

198 High Street

Tonbridge

Kent TN9 1BE

Date: .....

THE NATIONAL FEDERATION OF MUSIC SOCIETIES  
TRADING AS MAKING MUSIC



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2019

		2019 <i>Unrestricted funds</i>	2019 <i>Restricted funds</i>	2019 <i>Endowment funds</i>	2019 <i>Total funds</i>	2018 <i>Total funds Restated</i>
	Note	£	£	£	£	£
<b>Income from:</b>						
Donations and legacies	3	5,548	116,422	-	121,970	102,624
Charitable activities	4	531,798	-	-	531,798	469,797
Other trading activities	5	64,531	-	-	64,531	61,357
Interest and dividends		3,668	8,082	-	11,750	10,012
Total		605,545	124,504	-	730,049	643,790
<b>Expenditure on:</b>						
Raising funds	6	9,323	-	-	9,323	8,199
Charitable activities	7	555,458	164,824	-	720,282	661,498
Total		564,781	164,824	-	729,605	669,697
Net gains/(losses) on investments	12	-	-	12,381	12,381	( 12,697)
<b>Net income/(expenditure)</b>	8	40,764	( 40,320)	12,381	12,825	( 38,604)
Transfers between funds		-	( 7,340)	7,340	-	-
<b>Net movement in funds</b>		40,764	( 47,660)	19,721	12,825	( 38,604)
<b>Reconciliation of funds:</b>						
Total funds brought forward		322,965	152,820	383,649	859,434	898,038
Total funds carried forward	15	363,729	105,160	403,370	872,259	859,434

THE NATIONAL FEDERATION OF MUSIC SOCIETIES  
TRADING AS MAKING MUSIC

CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2019



	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Intangible assets	10		-		-
Tangible assets	11		46,273		39,493
Investments	12		139,721		127,339
			<u>185,994</u>		<u>166,832</u>
<b>Current assets</b>					
Debtors	13	79,891		35,025	
Cash at bank and in hand		1,628,659		1,640,821	
		<u>1,708,550</u>		<u>1,675,846</u>	
<b>Creditors:</b> amounts falling due within one year	14	( 1,022,285)		( 983,244)	
Net current assets			686,265		692,602
<b>Total net assets</b>			<u>872,259</u>		<u>859,434</u>
<b>The funds of the charity:</b>					
Endowment funds			403,370		383,649
Restricted funds			105,160		152,820
Unrestricted funds			363,729		322,965
	15		<u>872,259</u>		<u>859,434</u>

The financial statements were approved by the Board of Trustees on 29 July 2020 and were signed on its behalf by:

Dorothy Wilson MBE FRSA  
Trustee

Clare Birks  
Trustee

THE NATIONAL FEDERATION OF MUSIC SOCIETIES  
TRADING AS MAKING MUSIC

CHARITY BALANCE SHEET  
AS AT 31 DECEMBER 2019



	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Intangible assets	10		-		-
Tangible assets	11		46,273		39,493
Investments	12		139,725		127,343
			<u>185,998</u>		<u>166,836</u>
<b>Current assets</b>					
Debtors	13	94,412		41,455	
Cash at bank and in hand		1,609,800		1,633,001	
		<u>1,704,212</u>		<u>1,674,456</u>	
<b>Creditors:</b> amounts falling due within one year	14	( 1,017,951)		( 981,858)	
Net current assets			686,261		692,598
<b>Total net assets</b>			<u>872,259</u>		<u>859,434</u>
<b>The funds of the charity:</b>					
Endowment funds			403,370		383,649
Restricted funds			105,160		152,820
Unrestricted funds			363,729		322,965
	15		<u>872,259</u>		<u>859,434</u>

The financial statements were approved by the Board of Trustees on 29 July 2020 and were signed on its behalf by:

Dorothy Wilson MBE FRSA  
Trustee

Clare Birks  
Trustee

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019



	Note	2019 £	2018 £
<b>Cash flows from operating activities:</b>			
Net cash (used in) / provided by operating activities	A	( 4,613)	88,126
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		11,750	10,012
Purchase of tangible fixed assets		( 19,299)	( 9,938)
		<hr/>	<hr/>
Net cash (used in) / provided by investing activities		( 7,549)	74
<b>Change in cash and cash equivalents in the year</b>		( 12,162)	88,200
Cash and cash equivalents at the beginning of the year		1,640,821	1,552,621
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>		<u>1,628,659</u>	<u>1,640,821</u>
<b>A. Reconciliation of net income / (expenditure) to net cash flow from operating activities</b>			
Net income/(expenditure) for the year		12,825	( 38,604)
Depreciation and amortisation charges		12,520	19,657
(Gains)/losses on investments		( 12,381)	12,697
Dividends and interest from investments		( 11,750)	( 10,012)
(Increase)/decrease in debtors		( 44,866)	11,888
Increase in creditors		39,039	92,500
		<hr/>	<hr/>
Net cash (used in) / provided by operating activities		<u>( 4,613)</u>	<u>88,126</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

---

**1 ACCOUNTING POLICIES**

**Accounting convention**

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 (FRS 102)" (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Making Music 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).

There are no material uncertainties about the charity's ability to continue, and so the going concern basis of accounting has been adopted.

The financial statements are presented in pounds sterling and rounded to the nearest pound.

**Basis of consolidation**

The consolidated financial statements incorporate those of Making Music and its wholly owned subsidiary undertaking, NFMS Enterprises Limited. All intra-group transactions and balances are eliminated on consolidation.

**Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

**Income**

Income from donations and grants is recognised when the charity is entitled to the funds, the receipt is probable and the amount can be measured reliably. For donations, this is usually on receipt. For grants, this is usually when a formal offer is made in writing, unless the grant contains terms and conditions outside of the charity's control which must be met before the charity is entitled to the funds. Where grants are received in response to a proposal including a budgeted timescale, such that the timescale for the expenditure is implicit in the grant agreement, the income is recognised in accordance with that timescale.

Income from legacies is recognised when there has been a grant of probate, the executors have established that there are sufficient assets in the estate to pay the legacy, and any conditions attached are within the control of the charity or have already been met.

Income from charitable activities is recognised over the period to which the income relates. Membership subscriptions are recognised on a straight line basis over the term of the subscription.

Gifts in kind are only included in the financial statements when the charity is entitled to them, when it is probable that the charity will receive the economic benefits, and when the fair value or value to the charity, as appropriate, can be measured with sufficient reliability.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

---

**1 ACCOUNTING POLICIES continued**

**Income continued**

Investment income is recognised when receivable. Interest is accounted for as accrued income where it is due but has not yet been credited.

**Expenditure**

Expenditure is recognised when a present legal or constructive obligation exists at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be estimated reliably.

Grants payable are recognised when a commitment has been communicated to the beneficiary.

Staff costs have been allocated to expenditure headings on the basis of an estimate of the amount of time spent by staff members in each area.

Support costs have been allocated to charitable activities on the basis of direct staff costs.

Support costs are those functions that assist the work of the charity but do not directly relate to the charitable activities, and include governance costs.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for the particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The endowment fund is expendable and relates to a legacy from Philip & Dorothy Green for young musicians. The net income is transferred to a separate restricted fund.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated realisable value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	7-33% on the reducing balance basis
Computers and website	33% on the straight line basis
Piano	Not depreciated.

In respect of the piano, the trustees consider that the residual value at the end of its estimated useful life is not less than cost.

Assets costing less than £500 are not capitalised but are recognised as expenditure in the Statement of Financial Activities in the year incurred.

**Intangible fixed assets and amortisation**

Intangible fixed assets are stated at cost less amortisation, and amortisation is charged over 20 years on the straight line basis.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

---

**1 ACCOUNTING POLICIES continued**

**Investments**

Listed investments are stated at fair value. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the Statement of Financial Activities.

Investments in subsidiary undertakings are stated at the lower of cost and net realisable value.

**Financial instruments**

Other than listed investments, the charity only has financial instruments of a kind that qualify as basic financial instruments. Short term basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period to which the entitlement relates.

Payments to defined contribution pension schemes are charged as an expense as they fall due.

**Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**Prior period restatement**

For the year ended 31 December 2019 the analysis of income and expenditure by activity has been revised in order to simplify the analysis and aid understanding between the narrative report and the financial statements. The comparative figures have been reanalysed accordingly for comparability. This has not affected the prior period result nor net assets.

In addition, two material restatement adjustments have been made:

Donations and legacies reduced and charitable activities income increased by £359,000. Membership subscriptions have now been reclassified as income from charitable activities - over time, the package of benefits available to members has grown and so it is no longer appropriate to consider the subscription payments as donations. Conversely, grants previously recognised as income from charitable activities have been reclassified to donations and legacies where they do not contain performance-related conditions.

**2 STATUS**

Making Music is a charitable company limited by guarantee incorporated in England and Wales. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is 8 Holyrood Street, London SE1 2EL.



### 3 INCOME FROM DONATIONS AND LEGACIES

	<b>2019</b> £	<b>2018</b> £
Donations	27,795	21,205
Grants	94,175	81,419
	<u>121,970</u>	<u>102,624</u>

In the preceding period, income of £99,837 (as restated) was restricted.

In addition to the donations above, Making Music received various gifts in kind towards Make Music Day 2019 including musical arrangements and event and marketing support from Music for All, Team London Bridge, Hal Leonard Europe and other partner organisations. In future years, systems will be implemented to measure the value of these gifts with sufficient reliability for inclusion in the financial statements.

### 4 INCOME FROM CHARITABLE ACTIVITIES

	<b>2019</b> <i>Supporting members</i> £	<b>2019</b> <i>Supporting leisure-time music</i> £	<b>2019</b> <i>Total</i> £	<b>2018</b> <i>Total</i> £
Membership subscriptions	495,093	-	495,093	440,774
Member services	35,319	-	35,319	29,023
Other services	-	1,386	1,386	-
	<u>530,412</u>	<u>1,386</u>	<u>531,798</u>	<u>469,797</u>

### 5 INCOME FROM OTHER TRADING ACTIVITIES

	<b>2019</b> £	<b>2018</b> £
Advertising and sponsorship	44,113	40,106
Piano hire	1,935	2,290
Rental income	17,787	17,087
Other income	696	1,874
	<u>64,531</u>	<u>61,357</u>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

6 EXPENDITURE ON RAISING FUNDS

	2019 £	2018 £
Advertising agent commission	9,323	8,199
	<u>9,323</u>	<u>8,199</u>

7 EXPENDITURE ON CHARITABLE ACTIVITIES

	2019 Supporting members £	2019 Supporting leisure-time music £	2019 Total £	2018 Total £
Staff costs	260,288	55,211	315,499	268,473
Direct costs	62,149	58,683	120,832	110,898
Publication costs	22,672	-	22,672	22,341
Selected Artists Panel costs and subsidies	9,872	-	9,872	9,625
Event costs	8,580	-	8,580	6,290
Grants payable	12,100	-	12,100	9,700
Support costs allocated	190,351	40,376	230,727	234,171
	<u>566,012</u>	<u>154,270</u>	<u>720,282</u>	<u>661,498</u>

Support costs comprise:

Support staff costs	82,670	88,323
Staff recruitment, training and payroll fees	3,418	4,094
Marketing	17,483	17,072
Premises and office costs	82,935	79,308
Depreciation	12,520	19,639
Amortisation	-	19
Legal and accountancy fees	7,626	39
Other costs	14,112	14,267
Governance costs:		
Trustee expenses	3,963	4,410
Audit fees	6,000	7,000
	<u>230,727</u>	<u>234,171</u>

In the preceding period, £142,890 of expenditure came from restricted funds.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

**8 NET INCOME/(EXPENDITURE)**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Net income/(expenditure) is stated after charging/(crediting):		
Depreciation	12,520	19,638
Amortisation	-	19
Auditors' remuneration for audit services	6,000	6,200
Auditors' remuneration for non-audit services	8,010	-
Operating lease rentals	33,286	32,746
	<u>33,286</u>	<u>32,746</u>

As permitted by s408 Companies Act 2006, the parent charity has not presented its own Statement of Financial Activities and related notes. The parent charity's net income/(expenditure) for the year was £12,825 (2018: £(38,604)).

**9 STAFF COSTS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Gross salaries	367,923	322,141
Freelancer fees	2,205	944
Employer's National Insurance contributions	18,940	28,358
Employer's pension contributions	9,101	5,353
	<u>398,169</u>	<u>356,796</u>

During the period the charity paid termination payments totalling £20,346 in respect of one staff member (2018: redundancy of £6,600).

There were no employees with employment benefits (excluding employer pension contributions) of more than £60,000 in the current nor preceding period.

At the balance sheet date pension contributions unpaid amounted to £222 (2018: £1,152).

The average number of full-time equivalent employees during the year was 11 (2018: 10).

**10 INTANGIBLE FIXED ASSETS**

<b>Group and charity</b>	<b>£</b>
Cost brought forward and carried forward	1,500
Amortisation brought forward and carried forward	1,500
Net book value at 31 December 2018 and 2019	<u>-</u>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

11 TANGIBLE FIXED ASSETS

Group and charity	<i>Fixtures, fittings and equipment</i> £	<i>Computers and website</i> £	<i>Piano</i> £	<i>Total</i> £
<b>Cost</b>				
Brought forward at 1 January 2019	50,062	159,398	15,000	224,460
Additions	-	19,299	-	19,299
Disposals	( 28,968)	( 62,407)	-	( 91,375)
Carried forward at 31 December 2019	21,094	116,290	15,000	152,384
<b>Depreciation</b>				
Brought forward at 1 January 2019	40,728	144,238	-	184,966
Charged for the year	1,355	11,165	-	12,520
Eliminated on disposal	( 28,968)	( 62,407)	-	( 91,375)
Carried forward at 31 December 2019	13,115	92,996	-	106,111
<b>Net book value</b>				
At 31 December 2019	7,979	23,294	15,000	46,273
At 31 December 2018	9,334	15,160	15,000	39,494



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

12 INVESTMENTS

Group	2019 £	2018 £
<b>Listed investments</b>		
Fair value at 1 January 2019	127,344	140,041
Additions at cost	-	-
Disposals at carrying value	-	-
Unrealised gains and losses	12,381	( 12,697)
	<u>139,725</u>	<u>127,344</u>
Realised gains and losses	-	-
Per Statement of Financial Activities	<u>12,381</u>	<u>( 12,697)</u>

In addition, the charity has an investment of £4 (2018: £4), being a holding of 100% of the ordinary share capital, in NFMS Enterprises Limited (company number 02844532, its trading subsidiary. NFMS Enterprises Limited is a company registered in England and Wales with number 02844532. All of its profits are covenanted to the parent charity.

The subsidiary contributed turnover of £38,772 (2018: £29,381), expenditure of £27,683 (2018: £18,029) and a profit to the charity of £11,089 (2018: £11,352). At the balance sheet date, the subsidiary had net assets of £4 (2018: £4).

13 DEBTORS

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Trade debtors	37,405	7,548	31,606	4,986
Amounts owed by group undertakings	-	-	2,200	8,992
Prepayments and accrued income	42,486	23,050	60,606	23,050
Other debtors	-	4,427	-	4,427
	<u>79,891</u>	<u>35,025</u>	<u>94,412</u>	<u>41,455</u>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>Group</b> <b>2019</b> <b>£</b>	<b>Group</b> <b>2018</b> <b>£</b>	<b>Charity</b> <b>2019</b> <b>£</b>	<b>Charity</b> <b>2018</b> <b>£</b>
Trade and other creditors	443,468	452,360	443,468	451,389
Deferred subscription income	438,072	416,471	438,072	416,471
Accruals and other deferred income	23,104	19,399	23,104	19,399
Grant commitments	-	10	-	10
Tax and social security	117,641	95,004	113,307	94,589
	<u>1,022,285</u>	<u>983,244</u>	<u>1,017,951</u>	<u>981,858</u>

Included in trade and other creditors are insurance premiums of £324,946 (2018: £294,537) which are held by Making Music as agent on behalf of the insurer. The charity received contributions from members during the year amounting to £437,786 (2018: £364,807) and remitted payments to the insurer amounting to £407,377 (2018: £368,790). Also included are PRS contributions of £98,314 collected from members; in the prior period these had been remitted to PRS before the year end.

The movement on deferred membership subscriptions is as follows:

<b>Group and charity</b>	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Balance at 1 January 2019	416,471	364,696
Released to income	( 416,471)	( 364,696)
Received in the year and deferred	<u>438,072</u>	<u>416,471</u>
Balance at 31 December 2019	<u>438,072</u>	<u>416,471</u>



15 MOVEMENT ON FUNDS

CURRENT YEAR	<i>Brought forward</i> £	<i>Net movement</i> £	<i>Transfers</i> £	<i>Carried forward</i> £
<b>Expendable endowment</b>				
Philip and Dorothy Green endowment fund	383,649	12,381	7,340	403,370
<b>Restricted funds</b>				
Philip and Dorothy Green income fund	43,020	30,329	( 35,914)	37,435
Adopt a Composer	35,078	( 17,055)	-	18,023
P A Thompson fund	61,050	( 25,551)	-	35,499
P & D Green Young Artists fund	1,470	( 29,347)	27,877	-
Make Music Day	10,263	( 3,296)	-	6,967
Other restricted funds	1,939	4,600	697	7,236
	152,820	( 40,320)	( 7,340)	105,160
<b>Unrestricted funds</b>				
Designated funds	87,096	( 13,115)	23,330	97,311
General fund	235,869	53,879	( 23,330)	266,418
	322,965	40,764	-	363,729
Total funds	859,434	12,825	-	872,259



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

15 MOVEMENT ON FUNDS continued

<i>Current year net movement comprises:</i>	<i>Income</i> £	<i>Expenditure</i> £	<i>Gains/ (losses)</i> £	<i>Net movement</i> £
<b>Expendable endowment</b>				
Philip and Dorothy Green endowment fund	-	-	12,381	12,381
<b>Restricted funds</b>				
Philip and Dorothy Green income fund	30,329	-	-	30,329
Adopt a Composer	25,000	( 42,055)	-	( 17,055)
P A Thompson fund	-	( 25,551)	-	( 25,551)
P & D Green Young Artists fund	-	( 29,347)	-	( 29,347)
Make Music Day	63,226	( 66,522)	-	( 3,296)
Other restricted funds	5,949	( 1,349)	-	4,600
	124,504	( 164,824)	-	( 40,320)
<b>Unrestricted funds</b>				
Designated funds	-	( 13,115)	-	( 13,115)
General fund	605,545	( 551,666)	-	53,879
	605,545	( 564,781)	-	40,764
<b>Total funds</b>	<b>730,049</b>	<b>( 729,605)</b>	<b>12,381</b>	<b>12,825</b>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

15 MOVEMENT ON FUNDS continued

PRIOR YEAR	<i>Brought forward</i> £	<i>Net movement</i> £	<i>Transfers</i> £	<i>Carried forward</i> £
<b>Expendable endowment</b>				
Philip and Dorothy Green endowment fund	383,649	( 5,492)	5,492	383,649
<b>Restricted funds</b>				
Philip and Dorothy Green income fund	70,507	18,418	( 45,905)	43,020
Adopt a Composer	32,849	( 9,684)	11,913	35,078
P A Thompson fund	85,723	( 24,673)	-	61,050
Other restricted funds	12,286	( 27,114)	28,500	13,672
	201,365	( 43,053)	( 5,492)	152,820
<b>Unrestricted funds</b>				
Designated funds	-	( 12,904)	100,000	87,096
General fund	313,024	22,845	( 100,000)	235,869
	313,024	9,941	-	322,965
Total funds	898,038	( 38,604)	-	859,434
<b>Prior year net movement comprises:</b>	<b>Income</b> £	<b>Expenditure</b> £	<b>Gains/ (losses)</b> £	<b>Net movement</b> £
<b>Expendable endowment</b>				
Philip and Dorothy Green endowment fund	7,205	-	( 12,697)	( 5,492)
<b>Restricted funds</b>				
Philip and Dorothy Green income fund	18,418	-	-	18,418
Adopt a Composer	25,000	( 34,684)	-	( 9,684)
P A Thompson fund	-	( 24,673)	-	( 24,673)
Other restricted funds	56,419	( 83,533)	-	( 27,114)
	99,837	( 142,890)	-	( 43,053)
<b>Unrestricted funds</b>				
Designated funds	-	( 12,904)	-	( 12,904)
General fund	536,749	( 513,904)	-	22,845
	536,749	( 526,808)	-	9,941
Total funds	643,791	( 669,698)	( 12,697)	( 38,604)



---

## 15 MOVEMENT ON FUNDS continued

### **Philip and Dorothy Green endowment and restricted funds**

This expendable endowment enables us to provide grants, awards, prizes, donations or financial sponsorship to young musicians. It funds the **P & D Green Young Artists fund** which enables young musicians at the start of their career to gain vital concert and recital experience across the UK. The scheme also allows Making Music member groups to tap into some of the very best young musical talent to programme into their concert. This endowment also part-funds the Adopt a Composer project, run annually by Making Music since 2000.

The net movement on the endowment fund is transferred to the restricted fund and thence to suitable restricted funds for spending on projects involving young musicians.

### **Adopt a Composer**

This project enables us to pair a leisure-time ensemble with an emerging composer. It provides a unique opportunity for leisure-time musicians to work directly with a composer, be actively involved in the creative process and discover new music. The project is funded by the PRS for Music Foundation and the Philip and Dorothy Green fund.

### **P A Thompson fund**

The objective of the Pauline Thompson legacy fund is to encourage young people aged 15 to 35 to join amateur music groups. It enables us to employ a part-time Youth Engagement Manager and to extend repertoire that will attract young people to sing/play in different types of mixed age music groups.

### **Make Music Day fund**

This is a music sector wide UK project which is co-managed by us; funding from Arts Council England, NAMM, Musicians Union and Music For All is received and managed by Making Music on behalf of an industry-wide steering group. Make Music Day is an international celebration of grassroots musical activity always on 21 June, which started in France in 1982 and now takes place in 125 countries across the globe.

### **Other restricted funds**

These funds enable us to make a number of awards, bursaries, and prizes to individual musicians, groups, and organisations in both the voluntary and professional sector. Some of these, such as the Sir Charles Groves Prizes, recognise lifelong contributions to the musical life of the UK.

### **Designated funds**

The designated funds are intended for us on a new website and new services for members.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2019 <i>Unrestricted funds</i> £	2019 <i>Restricted funds</i> £	2019 <i>Endowment funds</i> £	2019 <i>Total funds</i> £
<b>CURRENT YEAR</b>				
Fixed assets	46,273	-	139,721	185,994
Net current assets	317,456	105,160	263,649	686,265
	<u>363,729</u>	<u>105,160</u>	<u>403,370</u>	<u>872,259</u>
<b>PRIOR YEAR</b>				
Fixed assets	39,493	-	127,339	166,832
Net current assets	283,472	152,820	256,310	692,602
	<u>322,965</u>	<u>152,820</u>	<u>383,649</u>	<u>859,434</u>

17 FINANCIAL COMMITMENTS

At 31 December 2019 the charity was committed to future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Due within one year	35,621	36,197
Due in two to five years	<u>164,957</u>	<u>20,851</u>

18 RELATED PARTY TRANSACTIONS

The key management personnel are considered to be the trustees, the Chief Executive, the Membership & Operations Director, the Finance Director and the Marketing and Communications Director.

There were no Trustees' remuneration or other benefits during the current or prior period.

Trustees were reimbursed expenses of £2,813 (2018: £3,228), in respect of eight (2018: nine) trustees for travel and subsistence costs. Ms Clare Birks is related to the owner of the property leased by the charity. The amount of the lease charge payable per annum is £33,996 (2018: £33,996). Ms Birks is excluded from any discussions on property-related matters, and the rent was negotiated on an arm's length basis.

The total amount of employee benefits (including employer's pension contributions) received by key management personnel during the year was £180,478 (2018: £144,965).