

Charity Registration No. 1090556

Company Registration No. 04202335 (England and Wales)

MUSIC FOR LIFE ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

MUSIC FOR LIFE ACADEMY

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|--------------------------|--|
| Directors | Mr R Barnett Ms S Nelson Mr R Hunter |
| Secretary | Miss O Meekin |
| Charity number | 1090556 |
| Company number | 04202335 |
| Principal address | Blaris Industrial Estate Unit 2 24 Altona Road Lisburn Antrim BT27 5QB |
| Registered office | 7-8 Great James Street London WC1N 3DF |
| Auditor | GMcG LISBURN Century House 40 Crescent Business Park Lisburn Co Down BT28 2GN |
| Bankers | Danske Bank Donegall Square West Belfast BT1 6JS |
| Solicitors | Monro Fisher Wasbrough 7-8 Great James Street London WC1N 3DF |

MUSIC FOR LIFE ACADEMY

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MUSIC FOR LIFE ACADEMY

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charity's objects are:

- a) to provide, arrange and pay for the education and training of persons with an emphasis towards musical composition performance and dance as an expression of life and culture;
- b) to develop, fund, administer, facilitate, promote, operate and carry on activities and facilities which will provide relief and/or education to persons in needy circumstances; and
- c) to pursue in any part of the world other charitable purposes benefiting peoples or communities as the trustees of the charity may determine.

We will do this by:

- a) Providing for their long term well being and educational needs to become leading contributors to the 'New Africa';
- b) Instilling ethical and moral principles through teaching and leading example; and
- c) Serving as an advocate of the beauty and dignity of the African child around the world.

We have supported our objectives by:

- a) Supporting our Field programmes in South Africa, Kenya, Rwanda and Uganda through Direct Grants and field expenses paid directly by the UK Office. The various African Offices provide monthly budgets and this is funded by our restricted sponsorship and appeal revenue and any surplus from our concert revenue from the African Children's Choir tours.
- b) Supporting our Choir programme which meet the costs of Choir selection and training in Africa, travel costs, medical, educational and living costs for the Choir children touring in the UK and Europe.
- c) Supporting Choir Chaperones through their BPS (Building Personal Support) Funds.
- d) Providing Office Support Costs of our Choir and African Operations.

The directors have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

In 2019-2020, Music for Life Academy continued to provide educational programmes for many hundreds of children in Africa. Thousands of children receive assistance through sponsorship programmes in Kenya, Rwanda, Uganda and South Africa.

The directors have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

MUSIC FOR LIFE ACADEMY

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Choir/other activities

- Fundraising event at Lumley Castle, Chester-Le- Street with profits split between MFL and Care for the Family - August 2019
- New recording, "This Little Light of Mine" - September 2019
- Ugandan product being sold via local craft fairs, Northern Ireland - November 2019
- Booking Department succeeds in setting itinerary 1 year in advance - a long term goal!
- Promotion for 'Mirembe Worship' non-choir church programme in UK. Positive response from churches but more time needed to develop this programme.
- Began developing next tour production show.
- ACC49/50/51 follow ABC's of Character curriculum with very encouraging response by both adult chaperone teachers and the children.
- Enhancement of Chaperone recruitment strategy through refining speech in Concert and adding slides to give more pertinent information.
- ACC49 returns to Uganda in June 2019 and ACC50 in February 2020. "Just as I Am" Tour continues to have good reception whilst booking team is able to shorten tours and maintain income levels.
- ACC51 begins North American Tour in Raleigh, North Carolina.
- 10th annual NYC Gala June 2019 hosted by Connie Britton and Austin "Africa Rocks" Gala on 5th December 2019 hosted by Taylor Kitsch bring in best income yet for African programmes.

Field Activities:

UGANDA

- Support for members of the African Children's Choir in various stages of their education - Primary, Secondary and Tertiary. Ensuring that their physical, education, emotional and spiritual needs are being met.
- Empower International Academy - Building for Phase 1 completed. Staff hired including Head teacher, opened for start of school year February 2020
- Enhancement Camps in the holidays for Secondary School students
- Camp for final year University students focussing on career planning, c.v. writing, interview techniques
- Ongoing mentorship programme
- MFL Outreach in 8 Primary Schools
- Hosting of various teams and visitors from overseas
- Training of Ubuntu for tour to Australia
- Selection and Training of African Children's Choir for various tours

All schools and colleges in Uganda were closed in March 2020 due to COVID-19. The Ubuntu tour to Australia was postponed. The African Children's Choir training and tour suspended.

MUSIC FOR LIFE ACADEMY

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Field Activities:

KENYA

- Support for members of the ACC in various stages of their education - Secondary and Tertiary. Ensuring that their physical, educational, emotional and spiritual needs are being met.
- Enhancement Camp in December for Secondary School students.
- Camp for final year University students focussing on career planning, c.v. writing, interview techniques
- Ongoing Mentorship programme
- 2 College students went for further training in mentorship at Outdoor Odyssey, USA
- 3 Kindergartens
- Sponsorship of graduates from Kindergartens into Primary School
- MFL Outreach in 2 Primary Schools
- Training in conjunction with Recorders without Borders for Teachers.
- Hosting of various visitors from overseas
- Selection of final year High School students for Ubuntu due to tour Australia April 2020

All Schools & Colleges in Kenya were closed in March 2020 due to COVID-19. The Ubuntu tour to Australia was postponed.

SOUTH AFRICA

- Support for members of the ACC in various stages of their education - Secondary and Tertiary. Ensuring that their physical, educational, emotional and spiritual needs are being met.
- Three students graduated from university - April/May 2019

All schools and universities in South Africa were closed in March 2020 due to COVID-19.

Financial review

The charity's trading subsidiary, Music for Life Records Limited reported a turnover of £6,499 (2019 - £20,023).

The results for the year are set out on 10 to 25. The charity returned net outgoing resources of £30,589 (2019 - net incoming resources of £6,710) of which there were net outgoing unrestricted resources of £28,336 (2019 - net incoming resources of £18,616) and net outgoing restricted resources of £2,253 (2019 - net outgoing restricted resources of £11,906).

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The directors considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The directors have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

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The charity has the following plans for future periods:

- Continued development of Empower International Academy. Official Dedication of EIA on calendar for July 2020 postponed - date to be announced.
- ACC tour in UK postponed from October 2020 to 2021/22
- Continue to meet needs of the children and students within the guidelines permitted by the governments of Uganda, Kenya and South Africa.
- To provide counselling, mentorship, food parcels and some hygiene and educational materials
- Monitoring of situation to determine when schools/programmes might resume.

MUSIC FOR LIFE ACADEMY

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Structure, governance and management

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association.

The directors who served during the year and up to the date of signature of the financial statements were:

Mr R Barnett

Ms S Nelson

Mr R Hunter

The directors are appointed at the annual general meeting of the company's members and retire by rotation. The directors may at any time co-opt any person as an additional director until the next annual general meeting.

Day-to-day management decisions are made by the International Executive Team. Being an organisation with a presence in the UK, Canada, USA, Uganda, Kenya, Sudan and South Africa, the team is made up of a leadership team overseeing the Choir, African and Administrative operations. This team of people meets weekly by conference call or Skype and also face-to-face annually or biannually for more in-depth planning and strategy. This same group prepares policies and procedures that are used throughout the organisation and present them to the Board for approval before implementation. The trustees are responsible for approving general budgets, approving policies and procedures, major purchases and major new directions in the organisation.

Related parties of the charity include its trustees and a number of other companies under common control with Music for Life Academy: Music for Life Institute, Music for Life Records Limited and Friends in the West International.

Statement of director's responsibilities

The directors, are responsible for preparing the Director's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Auditor

The auditor, GMcG LISBURN, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

MUSIC FOR LIFE ACADEMY

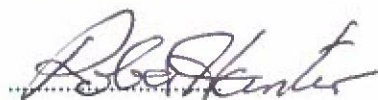
DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Disclosure of information to auditor

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the provision applicable to companies entitled to the small companies exemption.

The director's report was approved by the Board of Directors.



Mr R Hunter
Director

Dated: 12/4/20

MUSIC FOR LIFE ACADEMY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MUSIC FOR LIFE ACADEMY

Opinion

We have audited the financial statements of Music for Life Academy (the 'charity') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet 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 charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

MUSIC FOR LIFE ACADEMY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MUSIC FOR LIFE ACADEMY

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the director's report, prepared 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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 directors 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 director's report and from the requirement to prepare a strategic report.

MUSIC FOR LIFE ACADEMY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MUSIC FOR LIFE ACADEMY

Responsibilities of directors

As explained more fully in the statement of director's responsibilities, the directors 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 directors 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 directors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors 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

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MUSIC FOR LIFE ACADEMY


INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MUSIC FOR LIFE ACADEMY

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. 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 auditors' 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.


Mr Stephen Houston FCA (Senior Statutory Auditor)
for and on behalf of GMcG LISBURN

**Chartered Accountants
Statutory Auditor**



Century House
40 Crescent Business Park
Lisburn
Co Down
BT28 2GN

MUSIC FOR LIFE ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

| | Notes | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total 2020 £ | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total 2019 £ |
|---|-------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Income from: | | | | | | | |
| Charitable activities | 3 | 96,442 | 99,365 | 195,807 | 205,599 | 125,675 | 331,274 |
| Investments | 4 | 3,926 | - | 3,926 | 12,447 | - | 12,447 |
| Total income | | 100,368 | 99,365 | 199,733 | 218,046 | 125,675 | 343,721 |
| Expenditure on: | | | | | | | |
| Charitable activities | 5 | 55,063 | 175,259 | 230,322 | 120,483 | 216,528 | 337,011 |
| Net incoming/ (outgoing) resources before transfers | | 45,305 | (75,894) | (30,589) | 97,563 | (90,853) | 6,710 |
| Gross transfers between funds | 11 | (73,641) | 73,641 | - | (78,947) | 78,947 | - |
| Net (expenditure)/income for the year/ Net movement in funds | | (28,336) | (2,253) | (30,589) | 18,616 | (11,906) | 6,710 |
| Fund balances at 1 April 2019 | | 202,292 | 17,962 | 220,254 | 183,676 | 29,868 | 213,544 |
| Fund balances at 31 March 2020 | | 173,956 | 15,709 | 189,665 | 202,292 | 17,962 | 220,254 |

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

MUSIC FOR LIFE ACADEMY

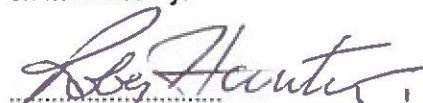
BALANCE SHEET

AS AT 31 MARCH 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|---|-------|----------------|----------------|----------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 12 | | 2,859 | | 4,979 |
| Investments | 13 | | 1 | | 1 |
| | | | <u>2,860</u> | | <u>4,980</u> |
| Current assets | | | | | |
| Debtors | 14 | 37,193 | | 52,015 | |
| Cash at bank and in hand | | 176,804 | | 189,066 | |
| | | <u>213,997</u> | | <u>241,081</u> | |
| Creditors: amounts falling due within one year | 15 | (27,192) | | (25,807) | |
| Net current assets | | | 186,805 | | 215,274 |
| Total assets less current liabilities | | | <u>189,665</u> | | <u>220,254</u> |
| Income funds | | | | | |
| Restricted funds | 16 | 15,709 | | 17,962 | |
| Unrestricted funds | | 173,956 | | 202,292 | |
| | | <u>189,665</u> | | <u>220,254</u> | |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Directors and authorised for issue on 12/4/20 are signed on its behalf by:



Mr R Hunter
Trustee

Company Registration No. 04202335

MUSIC FOR LIFE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Charity information

Music for Life Academy is a private company limited by guarantee incorporated in England and Wales. The registered office is 7-8 Great James Street, London, WC1N 3DF. The business address is Blaris Industrial Estate, Unit 2, 24 Altona Road, Lisburn, Co Antrim, BT27 5QB.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statement contain information about the individual charitable company, Music for Life Academy only. Music for Life Academy and its subsidiary company, Music for Life Records Limited, comprise a small group and as such Music for Life Academy is exempt from preparing consolidated accounts under Company legislation. The directors have taken advantage of the provisions with SORP FRS 102 and UK Generally Accepted Accounting Practice not to prepare consolidated accounts on the basis that the only subsidiary undertaking of the charitable company is not considered to be material for the purpose of the financial statements giving a true and fair view.

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the directors in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

MUSIC FOR LIFE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transaction or events.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support and governance costs includes those costs associated with meeting the constitutional and statutory requirement of the charity and include the audit fees and any other fees linked to the strategic management of the charity. Support and governance costs have been allocated to charitable activities based on a percentage of restricted income.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------|----------------------|
| Computer equipment | 33% straight line |
| Fixtures and fittings | 15% reducing balance |
| Motor vehicles | 25% reducing balance |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

MUSIC FOR LIFE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

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

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

MUSIC FOR LIFE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure for the period).

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

Fixed Assets

The annual depreciation charge on fixed assets depends primarily on the estimated lives of each type of assets and estimates of residual values. The trustees regularly review these assets lives and change them as necessary to reflect the current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have a significant impact on depreciation charges for the period. Detail of the useful lives is included in the accounting policies.

Restricted and unrestricted funds

Judgements are made in relation to allocation of income and expenditure to restricted and unrestricted funds. The trustees consider it appropriate to allocate these funds based on donations received.

MUSIC FOR LIFE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

| 3 Charitable activities | Field Programmes 2020 £ | BPS 2020 £ | Choir & Tour 2020 £ | Total 2020 £ | Field Programmes 2019 £ | BPS 2019 £ | Choir & Tour 2019 £ | Total 2019 £ |
|--|----------------------------------|------------------|------------------------------|--------------------|----------------------------------|------------------|------------------------------|--------------------|
| Donations within charitable activities | 191,003 | 3,944 | 300 | 195,247 | 215,832 | 4,166 | 111,276 | 331,274 |
| Other income | - | - | 560 | 560 | - | - | - | - |
| | 191,003 | 3,944 | 860 | 195,807 | 215,832 | 4,166 | 111,276 | 331,274 |
| Analysis by fund | | | | | | | | |
| Unrestricted funds | 94,623 | 959 | 860 | 96,442 | 92,267 | 2,056 | 111,276 | 205,599 |
| Restricted funds | 96,380 | 2,985 | - | 99,365 | 123,565 | 2,110 | - | 125,675 |
| | 191,003 | 3,944 | 860 | 195,807 | 215,832 | 4,166 | 111,276 | 331,274 |

MUSIC FOR LIFE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

4 Investments

| | Unrestricted funds | Unrestricted funds |
|---|-----------------------|-----------------------|
| | 2020 £ | 2019 £ |
| Gift Aid - Music for Life Records Limited | 3,577 | 12,130 |
| Interest receivable | 349 | 317 |
| | <u>3,926</u> | <u>12,447</u> |

MUSIC FOR LIFE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

| 5 Charitable activities | Field Programmes 2020 £ | BPS GB Appeals & General 2020 £ | | Total 2020 £ | Field Programmes 2019 £ | BPS GB Appeals & General 2019 £ | | Choir & Tour 2019 £ | Total 2019 £ |
|--|-------------------------------|---------------------------------------|------|--------------------|-------------------------------|---------------------------------------|------|---------------------------|--------------------|
| | | 2020 | 2020 | | | 2019 | 2019 | | |
| Staff costs | 102,631 | 171 | - | 102,802 | 97,661 | 246 | - | 7,366 | 105,273 |
| Depreciation and impairment | 524 | 5 | - | 529 | 717 | 10 | - | 299 | 1,026 |
| Direct Costs | 83,810 | 5,243 | 321 | 89,374 | 131,083 | 4,223 | 470 | 64,744 | 200,520 |
| | 186,965 | 5,419 | 321 | 192,705 | 229,461 | 4,479 | 470 | 72,409 | 306,819 |
| Share of support costs (see note 7) | 31,093 | 314 | - | 31,407 | 16,529 | 240 | - | 7,187 | 23,956 |
| Share of governance costs (see note 7) | 6,148 | 62 | - | 6,210 | 4,303 | 62 | - | 1,871 | 6,236 |
| | 224,206 | 5,795 | 321 | 230,322 | 250,293 | 4,781 | 470 | 81,467 | 337,011 |
| Analysis by fund | | | | | | | | | |
| Unrestricted funds | 54,511 | 552 | - | 55,063 | 38,458 | 558 | - | 81,467 | 120,483 |
| Restricted funds | 169,695 | 5,243 | 321 | 175,259 | 211,835 | 4,223 | 470 | - | 216,528 |
| | 224,206 | 5,795 | 321 | 230,322 | 250,293 | 4,781 | 470 | 81,467 | 337,011 |

MUSIC FOR LIFE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

6 Description of charitable activities

Field Programmes

The funding of various programmes in South Africa, Kenya, Rwanda and Uganda.

General sponsorship

Supporting general choir activities.

BPS

Supporting Choir Chaperones.

GB Appeals & General

Providing office support costs for choir and African operations.

Choir & Tour

Supporting the choir programme which includes choir selection and training in Africa, travel costs, medical, educational and living costs for the choir children touring in the UK and Europe.

7 Support costs

| | Support costs | Governance costs | 2020 | Support costs | Governance costs | 2019 |
|------------------------|---------------|------------------|---------------|---------------|------------------|---------------|
| | £ | £ | £ | £ | £ | £ |
| Rent | 5,040 | - | 5,040 | 3,780 | - | 3,780 |
| Insurance | 1,360 | - | 1,360 | 1,481 | - | 1,481 |
| Light and Heat | 1,448 | - | 1,448 | 656 | - | 656 |
| Repairs | 340 | - | 340 | 265 | - | 265 |
| Postage and stationery | 9,994 | - | 9,994 | 7,231 | - | 7,231 |
| Telephone and IT | 5,106 | - | 5,106 | 4,460 | - | 4,460 |
| Motor Expenses | 714 | - | 714 | 1,744 | - | 1,744 |
| Travelling Expenses | 2,404 | - | 2,404 | 1,370 | - | 1,370 |
| Professional services | 816 | - | 816 | 370 | - | 370 |
| Sundry expenses | 1,600 | - | 1,600 | 822 | - | 822 |
| Subscriptions | 1,394 | - | 1,394 | 812 | - | 812 |
| Bank Charges | 1,191 | - | 1,191 | 965 | - | 965 |
| Audit fees | - | 5,400 | 5,400 | - | 5,400 | 5,400 |
| Legal and professional | - | 810 | 810 | - | 836 | 836 |
| | <u>31,407</u> | <u>6,210</u> | <u>37,617</u> | <u>23,956</u> | <u>6,236</u> | <u>30,192</u> |
| Analysed between | | | | | | |
| Charitable activities | <u>31,407</u> | <u>6,210</u> | <u>37,617</u> | <u>23,956</u> | <u>6,236</u> | <u>30,192</u> |

Governance costs includes payments to the auditors of £5,400 (2019- £5,400) for audit fees.

8 Directors

None of the directors (or any persons connected with them) received any remuneration or benefits from the charity during the year.

MUSIC FOR LIFE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

9 Employees

Number of employees

The average monthly number of employees during the year was:

| | 2020 Number | 2019 Number |
|----------------|----------------|----------------|
| Administration | 4 | 4 |
| Sponsorship | 1 | 1 |
| | <u>5</u> | <u>5</u> |

Employment costs

| | 2020 £ | 2019 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 94,303 | 96,652 |
| Social security costs | 5,021 | 5,813 |
| Other pension costs | 3,478 | 2,808 |
| | <u>102,802</u> | <u>105,273</u> |

The total employment benefits including employer pension contributions of the key management personnel were £48,937 (2019 - £48,397).

There were no employees whose annual remuneration was £60,000 or more.

10 Taxation

As a charity the company is not liable to corporation tax.

11 Transfers

Transfers made from unrestricted fund to the restricted funds were to cover resources expended in excess of funds received in relation to some projects.

MUSIC FOR LIFE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

12 Tangible fixed assets

| | Computer equipment £ | Fixtures and fittings £ | Motor vehicles £ | Total £ |
|------------------------------------|----------------------------|-------------------------------|------------------------|------------|
| Cost | | | | |
| At 1 April 2019 | 3,731 | 19,575 | 22,220 | 45,526 |
| Disposals | - | (3,709) | (22,220) | (25,929) |
| At 31 March 2020 | 3,731 | 15,866 | - | 19,597 |
| Depreciation and impairment | | | | |
| At 1 April 2019 | 3,731 | 15,534 | 21,281 | 40,546 |
| Depreciation charged in the year | - | 505 | - | 505 |
| Eliminated in respect of disposals | - | (3,032) | (21,281) | (24,313) |
| At 31 March 2020 | 3,731 | 13,007 | - | 16,738 |
| Carrying amount | | | | |
| At 31 March 2020 | - | 2,859 | - | 2,859 |
| At 31 March 2019 | - | 4,041 | 938 | 4,979 |

13 Fixed asset investments

| | Other investments |
|---------------------------------|----------------------|
| Cost or valuation | |
| At 1 April 2019 & 31 March 2020 | 1 |
| Carrying amount | |
| At 31 March 2020 | 1 |
| At 31 March 2019 | 1 |

| | Notes | 2020 £ | 2019 £ |
|-----------------------------|-------|-----------|-----------|
| Other investments comprise: | | | |
| Investments in subsidiaries | 20 | 1 | 1 |

MUSIC FOR LIFE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

14 Debtors

| | 2020 £ | 2019 £ |
|---|---------------|---------------|
| Amounts falling due within one year: | | |
| Amounts owed by subsidiary undertakings | 7,631 | 16,698 |
| Other debtors | 28,862 | 34,477 |
| Prepayments and accrued income | 700 | 840 |
| | <u>37,193</u> | <u>52,015</u> |

15 Creditors: amounts falling due within one year

| | 2020 £ | 2019 £ |
|------------------------------------|---------------|---------------|
| Other taxation and social security | 1,932 | 2,184 |
| Trade creditors | 8,384 | 9,485 |
| Other creditors | 8,571 | 5,253 |
| Accruals and deferred income | 8,305 | 8,885 |
| | <u>27,192</u> | <u>25,807</u> |

MUSIC FOR LIFE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Balance at 1 April 2018 £ | Movement in funds | | | Balance at 1 April 2019 £ | Movement in funds | | | Transfers £ | Balance at 31 March 2020 £ |
|------------------------|---------------------------------|----------------------------|----------------------------|----------------|---------------------------------|----------------------------|----------------------------|----------------|----------------|----------------------------------|
| | | Incoming resources £ | Resources expended £ | Transfers £ | | Incoming resources £ | Resources expended £ | Transfers £ | | |
| Field Programmes | 17,234 | 123,565 | (211,835) | 78,947 | 7,911 | 96,380 | (169,696) | 73,641 | 8,236 | |
| General Sponsorship | 784 | - | - | - | 784 | - | (300) | - | 484 | |
| BPS | 11,282 | 2,110 | (4,223) | - | 9,169 | 2,985 | (5,242) | - | 6,912 | |
| GB Appeals and General | 568 | - | (470) | - | 98 | - | (21) | - | 77 | |
| | <u>29,868</u> | <u>125,675</u> | <u>(216,528)</u> | <u>78,947</u> | <u>17,962</u> | <u>99,365</u> | <u>(175,259)</u> | <u>73,641</u> | <u>15,709</u> | |

The above projects represent donations received from individuals who have specified that the funds be used for a specific project. Note 6 details description of the various charitable activities undertaken.

MUSIC FOR LIFE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

17 Analysis of net assets between funds

| | Unrestricted 2020 £ | Restricted 2020 £ | Total 2020 £ | Unrestricted 2019 £ | Restricted 2019 £ | Total 2019 £ |
|--|---------------------------|-------------------------|--------------------|---------------------------|-------------------------|--------------------|
| Fund balances at 31 March 2020 are represented by: | | | | | | |
| Tangible assets | 2,859 | - | 2,859 | 4,802 | 177 | 4,979 |
| Investments | 1 | - | 1 | 1 | - | 1 |
| Current assets/ (liabilities) | 171,096 | 15,709 | 186,805 | 197,489 | 17,785 | 215,274 |
| | <u>173,956</u> | <u>15,709</u> | <u>189,665</u> | <u>202,292</u> | <u>17,962</u> | <u>220,254</u> |

18 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2020 £ | 2019 £ |
|-----------------|-----------|--------------|
| Within one year | <u>-</u> | <u>4,900</u> |

19 Related party transactions

Subsidiary

During the year the charity recognised donations of £3,577 (2019 - £12,130) from its subsidiary, Music for Life Records Limited. At the balance sheet date an amount of £7,631 (2019 - £16,698) was due from Music for Life Records Limited.

Other charities under common control

The following charities are related to Music for Life Academy by virtue of common control. Transactions during the year and balances due to or from them are as follows:

Friends in the West International (FITWI)

As at the balance sheet date an amount of £22,081 (2019 - £12,865) was due from FITWI.

MUSIC FOR LIFE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

20 Subsidiaries

Details of the charity's subsidiaries at 31 March 2020 are as follows:

| Name of undertaking | Registered office | Nature of business | Class of shares held | % Held | |
|--------------------------------|-------------------|--|----------------------|--------|----------|
| | | | | Direct | Indirect |
| Music for Life Records Limited | England | Retail of African Children's Choir merchandise | Ordinary | 100.00 | |

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

| Name of undertaking | Profit/(Loss) | Capital and Reserves |
|--------------------------------|---------------|----------------------|
| | £ | £ |
| Music for Life Records Limited | - | 1 |