

Company Registration No: 06226749 (England and Wales)
Registered Charity No: 1119372

UK MUSIC MASTERS LTD
(PREVIOUSLY LONDON MUSIC MASTERS)
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

**UK MUSIC MASTERS LTD.
(A COMPANY LIMITED BY GUARANTEE)**

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

The trustees are also the statutory directors of the company for the purposes of company law. The trustees who served during the period were:

Simon Freakley - Chairman
V S H Robey OBE– Founder Director
T Walker AM (resigned 30.07.20)
S Bailey (resigned 24.09.19)
A Carrington
J Nickson
P Keller
T Hull
P Thomas
E Vaizey
S Bunting
J Joseph (appointed 05.12.19)
M Kofokasumu – Treasurer (appointed 21.05.20)
S Berryman (appointed 23.10.2020)

Key management

Robert Adediran -Executive Director (left 4 September 2020)
Roz De Vile -Chief Executive Officer (from 1 September 2020;
previously Learning Director)
Anne Fleming -Finance Director
Will Harriss -Development Director

Charity number

1119372

Company number

06226749

Registered office

125 Kennington Road
London SE11 6SF

Auditor

Azets Audit Services
Greytown House
221-227 High Street
Orpington
Kent, BR6 0NZ

Bankers

CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4

**UK MUSIC MASTERS LTD.
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**CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

In a year of two halves, the strength and depth of UK Music Masters Ltd (Music Masters), its team and its mission has been clearly evident and I am incredibly proud of all that we have achieved. The six months from September to February were characterised by the successful launch of our new national teacher training programme: Team Teach, the UK's first PGCEi in group instrumental teaching, delivered in partnership with Birmingham City University. The response from our first cohort of students was exceptional, one student told us: 'because of this course, I love teaching even more. It's given me more confidence as a teacher, and equipped me with a huge range of ideas and tools to use in my practice.' Team Teach is a key pillar of our strategic plan 'Excellence for Everyone' (2018-22) and its successful first year builds confidence that it can grow into a significant contributor to UK music education in the years to come.

Alongside this, our in-school teaching continued to deliver exceptional results with children and young people participating in performances, masterclasses and weekly lessons with our creative and talented team. I have been heartened to see an increased focus on Youth and Child Voice as we create space for our children and young people to take ownership of the activities that affect them.

In March, as the COVID-19 pandemic gripped the UK and schools shut, the team responded quickly to move our offering online. In the weeks that followed, 90% of our KS2 and 55% of our KS1 students took part in weekly or fortnightly lessons using video platforms, with many more accessing online tutorials and events led by teachers and artists. This took place in a national context where less than a third of children in state primary schools were regularly accessing online tuition, and the gap (and learning outcomes) between children educated in state schools and those in independent schools widened significantly.

Our activities captured the imagination of the public and our work was featured in numerous print and online media platforms, celebrating the success of our remote teaching approach. Our work also inspired our community of funders who contributed generously, securing our activity through to the end of our financial year.

The pandemic has brought in to focus the significant health inequalities in society. The infection and mortality rates amongst low income families, and families from diverse ethnic backgrounds has been markedly greater than the national average. The killing of George Floyd in the US also triggered a surge in protest and support for the Black Lives Matter movement. As part of our response, we brought forward the release of I'M IN, the Inclusive Music Index – a diversity and inclusion strategy tool which we designed for the music sector in collaboration with AlixPartners, Frost Included and leaders in the music sector. The response to this initiative has been incredibly strong with over 40 arts organisations - ranging from leading brands in classical music, to community start-ups - taking part in our summer and autumn cohorts. We look forward to working with all of these organisations to help ensure that the music sector is a welcoming and inclusive forum for children and young people from all backgrounds.

My thanks to our Founder Director and trustee Victoria Robey OBE for her continued leadership and generosity of spirit, and to all of our trustees especially Timothy Walker and Shaun Bailey both of whom retired from our board this year after many years of service. Sincere thanks also to the teachers, volunteers and administrative team for their outstanding levels of commitment through this most challenging of years. And a very special mention to Rob Adediran who has stepped down

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as Executive Director after ten years with the charity. We are grateful for his leadership and commitment to the cause and wish him every success for his future.

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Simon Freakley
Chairman
UK Music Masters Ltd.

UK MUSIC MASTERS LTD.
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The trustees, who are also the directors for the purposes of company law, present their report and the audited financial statements for the year ended 31 August 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published on 16 July 2014.

Objectives and activities

Our objectives:

To advance education for the public benefit through the promotion, support and encouragement of the art of music in all its forms and in particular the promotion, encouragement and appreciation of the violin. Secondly to promote any other charitable object for the public benefit.

In planning the activities of the charity, the trustees have given due regard to the Charity Commission's guidance on public benefit and, in particular, the specific guidance for fee charging charities. As mentioned above, the trustees believe that the activities of the charity in the year confirm its ability to provide current and on-going benefit to the public.

Our activities

Music Masters Schools Programme

Music Masters' Schools Programme aims to transform musical instrument teaching in UK primary schools. For 12 years we have provided world-class learning opportunities for children in inner-city primary schools and we are dedicated to training an ambitious and talented team of musicians to enable this vital work to continue. We believe that music belongs to everyone in society and that excellent music making should be at the heart of our local communities.

During the Covid-19 pandemic, we transformed our activities creating an online music school incorporating weekly and fortnightly one-to-one on line lessons, available for all of our students at home and accompanied by weekly Learning Plans and videos assembled by our teaching team. We were able to engage 90% of our KS2 students and 55% of our KS1 students in online lessons, providing an essential link to their continued education, and also a creative stimulating and expressive environment to support their well-being during a time of extreme challenge, despite challenging circumstances and technical barriers for many families. As a result of being present during online lessons, 85% of parents/guardians reported feeling more involved with their child's learning.

Our Schools Programme brings musicianship, violin and cello teaching of the highest quality into inner-London primary schools situated in areas of financial deprivation. Currently catering for hundreds of children across five schools, we work with every child in the school during their first three years at primary school, providing each one with their own instrument and up to three lessons a week in small groups and ensembles. As the children grow, our programme grows and changes with them responding to their potential.

We delivered the first year of teaching in our new PGCEi: Team Teach. This post graduate course, which we run in partnership with Birmingham City University, is the first PGCE in the UK designed

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

for musicians teaching groups: This unique course fills a specific gap in the training offer for early career teachers and we anticipate it playing an important role in raising both the profile and quality of group teaching in the UK. Delivery of the course was moved to online platforms when the pandemic struck thereby enabling the first cohort to complete the programme uninterrupted. This also enabled us to refine the design of the course so that we could plan online delivery to the second cohort thereby ensuring that the ongoing Covid-19 situation did not adversely affect this programme.

Music Masters Artists & Ambassadors

Great musicians transcend their context and captivate audiences everywhere. We are committed to enabling emerging artists to become great musicians. For us, that means helping them develop their artistry in a community context: working with our children and their families to find new expressions of their art which challenge, delight and stimulate audiences outside of the traditional concert hall environment. We are proud to have musical ambassadors in Nicola Benedetti, Nadine Benjamin, Colin Currie, Benjamin Grosvenor, Sheku Kanneh-Mason, Anthony Marwood and Tai Murray and we work closely with the nine recipients of the Music Masters Award, given to outstanding artists in the early stages of their careers. This year we continue to develop a diverse range of artists, welcoming Harlem Quartet as our most recent ambassador, and we continued our partnership with Young Classical Artists Trust (YCAT) working with the Robey Artist, violinist Randall Goosby.

Objectives for FY 2019-20

The main objectives of the charity are summarised in our Strategic Plan: 'Excellence for Everyone' (2018-2022), they cascade from the following aims:

1. Establishing our network of Partner Schools as the leading example of excellent, sustainable, integrated music education for state maintained primary schools
2. Creating the UK's first national teacher training programme for group tuition in primary schools
3. Building a cohort of leading artists as both advocates for music education and mentors for student musicians
4. Advocating for practical, systemic change within the industry for Diversity & Inclusion and for music education
5. Establishing new, long term, predictable income streams for Music Masters

We have carefully reviewed our strategy in light of the COVID-19 pandemic. In some instances, our short-term objectives have changed and the way we achieve our strategic aims will certainly differ. However, we concluded that the aims themselves are as important as ever and we remain committed to achieving them.

Strategic Report

Achievements and Performance

Partner Schools

- Over 1,100 children participated in our weekly musical instrument tuition programmes supported by an annual programme of events and performances. We continue to have a significant musical impact with graduates winning music scholarships for further study at schools and conservatoires; and social impact with students reporting significant social and

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

personal benefits stemming from their music-making. 94% of our graduating students who responded to our survey reported that they plan to continue learning and exploring music.

National Teacher Training Programme

- We successfully delivered the first year of our PGCEi: Team Teach and recruited 22 students from a strong shortlist of 40 applicants to the Team Teach cohort for Sept 2020 (an increase of 7 on the previous year)

Artists as advocates and mentors

- We facilitated creative and challenging collaborations between a wide range of artists and Music Masters students giving every student the opportunity to work creatively with a professional musician. This continued during lockdown with 13K views of *Friday Live!* our livestreamed series of 27 events and activities led by Music Masters teachers, Ambassadors and associated Artists and students. We also had 47K views of our "Twinkle, Twinkle" video, featuring students and Artists.

Advocating for change

- Our senior team and Alumni spoke at symposia and on panels and in the media and consulted with education clients developing new approaches to issues around music education and diversity and inclusion. We launched I'M IN – The Inclusive Music Index, a diversity and inclusion strategy tool for the music sector. 43 music organisations registered to join the I'M IN summer cohort, this forms part of Music Masters' response to the resurgent Black Lives Matter movement.

Funding

- We reviewed our fundraising targets and plans in light of the increased pressure on donors (both individual and institutional), and the cancellation of our high-profile fundraising gala. We managed to replace some of the income we had anticipated in raising between March and August through a successful online campaign as part of the Big Give and supported by the Childhood Trust. We also held our first livestreamed fundraising event featuring the acclaimed pianist Isata Kanneh-Mason with other content featuring children currently on our school programmes, alumni and teachers. Additionally, we accessed emergency funding from a small number of trusts. We are grateful to everyone who supported our work during this challenging time.

Financial Review

The results for the year are set out on page 15 of the financial statements. The surplus for the year was £96,273 (2019: £70,717), as set out in the financial statements. Of this £15,769 (2019: deficit of £9,299) related to activity funded by restricted income and these funds will be utilised in the year to 31 August 2021. Total income was £1,165,137 (2019: £1,009,453). In comparison total expenditure was £1,068,864 (2019: £938,736).

The surplus in the year was largely due to activities that had to be cancelled or postponed due to the ongoing pandemic conditions. The increase in expenditure reflects extension of the learning

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FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

programme to additional year groups in our existing schools, the first cohort of the Team Teach: PGCEi programme and advocacy work on diversity and inclusion (I'M IN). Whilst we were successful in moving much of our programme delivery online some of our work, such as orchestras and ensembles; summer and residential courses amongst others, could not be effectively delivered using these platforms.

The increase in expenditure reflects extension of the learning programme to additional year groups in our existing schools, the first cohort of the Team Teach: PGCEi programme and advocacy work on diversity and inclusion (I'M IN).

Reserves

Music Masters' reserves policy is as follows:

- The policy of the trustees is to maintain a level of reserves that will provide a stable base from which to fund the charity's future activity whilst ensuring that excessive funds are not accumulated.
- Specifically, the trustees have set a target range for general reserves of £230,000 to £250,000 (2019: £180,000-£210,000), which the trustees estimate is sufficient to meet the charity's legal commitments should it be required to shut down due to lack of available funds. The range is also reviewed in the context of the following year's running costs. As the number of Music Masters students has increased, the value of social investments, which comprise musical instruments used by Music Masters students, has also grown, representing a larger proportion of the charitable company's reserves than previously. As social investments comprise mostly low value musical instruments which are not readily convertible into cash or cash equivalents, their value has been excluded in calculating this general reserve. The charity's legal commitments include notice periods for staff, office costs and legal costs.
- The reserves target is reviewed and updated on an annual basis.
- General reserves at 31 August 2020 totalled: £380,551 (2019: £326,325). The value after excluding social investments is £250,001 (2019: £210,000).

Designated Funds

The trustees recognise that the effectiveness of the Schools Programme is heavily reliant on uninterrupted music tuition and therefore view it to be prudent to maintain a designated fund – the Learning Continuity Fund - to mitigate any fluctuations in funding. At 31 August 2020 the balance of this fund was £136,919 (2019 £110,641) and it is expected that this fund will be spent in its entirety in the period to April 2021.

Funds held as Custodian Trustee on behalf of others

There are no such funds held (2020: nil).

Permanent endowment invested on a total return basis

There are no such investments (2020: nil).

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

Plans for Future Periods

In the third year of its strategic plan 'Excellence for Everyone' Music Masters intends to make progress against the objectives cascading from the following aims:

- To establish our network of Partner Schools as the leading example of excellent, sustainable, integrated music education for state maintained primary schools
- To secure in the higher education landscape Team Teach, the UK's first national teacher training programme for group tuition in primary schools
- To invest in our cohort of leading artists as both advocates for music education and mentors for student musicians
- To advocate for practical, systemic change within the industry for diversity and for music education
- To establish new, long term, predictable income streams for Music Masters

Brand Identity

On 1 September 2020 a new visual identity was launched as part of a re-brand as the charity had changed its name on 13 August 2020 from London Music Masters to UK Music Masters Ltd., to be known as Music Masters, reflecting the nationwide scope of its work. For 12 years, Music Masters has been pioneering an award-winning approach to music education, making it accessible to all. We have brought our schools programme into inner-city London schools, but now we have reached the next stage of our mission, which is working on a national scale.

In September 2019 we launched Team Teach, a national teacher training qualification for teachers across the country, and our impact in schools has been extended across the country - and this year we are also taking on international teachers as part of our cohort. We have also launched I'M IN, the Inclusive Music Index, a diversity and inclusion strategy tool for the music sector and over 40 organisations across the country have signed up for the 2020 Summer and Autumn cohorts. Given our recent national work, it was only a matter of time that London Music Masters became Music Masters.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

UK Music Masters Ltd is a company limited by guarantee not having a share capital which is governed by its Memorandum and Articles of Association. It is a registered company number 6226749 and is also a registered charity in England and Wales, number 1119372.

The charity was incorporated on 25 April 2007 as The London International Violin Competition. The Members resolved by special resolution dated 15 January 2008 to change the name of the charity to London Music Masters and this was effected on 21 January 2008. The Memorandum and Articles of Association were further amended by special resolution on 21 May 2012, primarily in order to bring them up-to-date with current legislation and to raise the maximum number of trustees. The Members resolved by special resolution dated 13 August 2020 to change the name of the charity to UK Music Masters Ltd and this took effect from 1 September 2020.

Governance

The work of the organisation is overseen by the trustees who meet at regular intervals to provide strategic direction and to monitor and review the work of UK Music Masters. Potential trustees are considered by the Chairman and proposed to the other trustees before being elected by a simple majority of all the directors entitled to attend and vote at any meeting of the trustees. New trustees are given an induction by way of a one-to-one meeting with the Chief Executive and members of

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

the senior leadership team accompanied by a pack of information, including the most recent set of accounts, trustee meeting notes, development committee notes and other relevant supplementary documents describing the charity's recent activities.

Fundraising

Music Masters generates income from fundraising to support its work. It broadly focuses on three areas:

- Individual giving: this includes giving schemes that comply with Gift Aid regulations as set out by HMRC.
- Trusts and Foundations: Music Masters makes a range of applications to trusts and foundations in the UK and abroad, for both core (unrestricted) and project (restricted) funding.
- Corporate sponsorship: Music Masters engages with a number of corporate partners, whose funding supports a range of initiatives across the organisation.

The Trustees review fundraising activity at each Board meeting. Music Masters is registered with the Fundraising Regulator, and is bound by the Code of Fundraising Practice. The Code sets out the key principles of behaviour expected of all charitable fundraising organisations in the UK. More information about the regulator, and their role in monitoring fundraising standards, can be found on their website: www.fundraisingregulator.org.uk.

The charity did not receive any fundraising complaints in the year.

Fundraising complaints should, in the first instance, be directed to the Chief Executive of Music Masters, Roz De Vile, either by letter (Music Masters, 125 Kennington Road, London SE11 6SF) or by email (contact@musicmasters.org.uk). All complaints will be acknowledged within five working days, with a full reply within 21 days.

If this does not resolve the issue, then the complaint can be escalated to the Fundraising Regulator for further action. Music Masters is committed to ensuring that its fundraising activities protect the public, including any vulnerable people it works with, from unreasonably intrusive fundraising approaches. It will never apply undue pressure to donate. Where an individual has requested not to receive fundraising communications, this will be honoured, in line with the spirit of all relevant data protection legislation.

Music Masters will also comply with any requests from the Fundraising Preference Service for the removal of data subjects from its database.

Management

The day-to-day management of the charity is delegated to the Chief Executive Officer who is supported by senior leaders on the staff team.

The trustees are responsible for making strategic decisions relating to the scope and aims of the charity's work. They are also responsible for agreeing the annual budget, which is then overseen by the Chief Executive Officer with quarterly management accounts being presented to the Trustees. Any material overspends must be authorised by the trustees.

The charity also has a Development Committee, which does not have governance power but meets in an advisory capacity to discuss and refine the charity's fundraising strategy and progress.

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FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

In 2018/19 an Advisory Council was established with the aim for further strengthening the charity's network and providing additional perspectives to the management team.

Pay policy for senior staff

Senior staff comprises the Executive Director (Chief Executive Officer from 1 September 2020), Development Director, Finance Director, and Learning Director.

The pay of senior staff is reviewed annually and normally increased in accordance with inflation and average earnings for the sector.

No trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in note 16 to the accounts.

Risk Management

The trustees recognise their responsibility for the management of the risks faced by the charity. A risk register is updated quarterly and where there are material changes to perceived risks reports are presented to the board and discussed in order to ensure that the trustees are made aware of any major risks the charity faces and review the adequacy of controls. Together with the executive the trustees consider risk in the following areas: finance, human resource, reputation, legal, safeguarding, disaster planning and strategically significant projects. Trustees provide a critical challenge to the Chief Executive Officer on all these areas of risk, advising on mitigation strategies as appropriate.

The significant new risk to the charity is the impact of COVID-19 which will continue to affect income (the short term effects on individual and institutional giving are still being understood, but we anticipate a reduction) and operations (our work is mainly based in schools and public venues all of which remain at risk of short term closure). Fundraising and operational plans have been reviewed and adapted where possible. The senior leadership team is extremely alert to this risk and is working closely with trustees to mitigate the effects. In addition, we maintain our awareness of pre-existing and emerging risks by maintaining a regular schedule of review for our risk registers at executive and trustee level.

Going Concern

The trustees recognise their responsibilities for assessing the charity's ability to continue as a going concern and have reviewed budgets, future plans, contingency plans for providing services to beneficiaries online in the event of Covid-19 restrictions impacting planned delivery and taken into consideration confirmed future funding. Contingency plans have also been drawn up in the event of lower than expected income. The trustees have concluded that the charity is a going concern and there are no material uncertainties relating to its going concern status.

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of UK Music Masters Ltd for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and irregularities.

Statement as to Disclosure of Information to Auditors

So far as the trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and each trustee has taken all the steps that he or she ought to have taken as a trustee to make himself or herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

On 7 September 2020 Group Audit Services Limited trading as Wilkins Kennedy Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

By order of the trustees

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Simon Freakley
Chairman
Date 16th December 2020

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the financial statements of UK Music Masters Ltd (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 August 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 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 trustees 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

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

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 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 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 charitable company and its 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 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 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, 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.

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
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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 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services Limited

Michelle Wilkes (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Statutory Auditor
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Date: 29 January 2021

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STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Income and endowments from:					
Donations and legacies	2	595,183	339,455	934,638	777,476
Charitable activities	3	229,951	-	229,951	230,764
Investments		548	-	548	1,213
Total income and endowments		825,682	339,455	1,165,137	1,009,453
Expenditure on:					
Raising funds		236,469	-	236,469	163,369
Charitable activities		508,709	323,686	832,395	775,367
Total expenditure	4	745,178	323,686	1,068,864	938,736
Net movement in funds		80,504	15,769	96,273	70,717
Total funds brought forward 1 September 2019		436,966	14,139	451,105	380,388
Total funds carried forward 31 August 2020		517,470	29,908	547,378	451,105

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

UK MUSIC MASTERS LTD.
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

Comparative Information for the Statement of Financial Activities for the year ended 31 August 2019

	Notes	Unrestricted funds £	Restricted funds £	Total 2019 £
Income and endowments from:				
Donations and legacies	2	463,861	313,615	777,476
Charitable activities		230,764	-	230,764
Investments	3	1,213	-	1,213
Total income and endowments		695,838	313,615	1,009,453
Expenditure on:				
Raising funds		158,543	4,826	163,369
Charitable activities		457,279	318,088	775,367
Total expenditure	4	615,822	322,914	938,736
Net movement in funds		80,016	(9,299)	70,717
Total funds brought forward 1 September 2018		356,950	23,438	380,388
Total funds carried forward 31 August 2019		436,966	14,139	451,105

UK MUSIC MASTERS LTD.
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
AS AT 31 AUGUST 2020

	Notes	£	2020 £	£	2019 £
Fixed assets					
Social investments	6		130,550		116,325
Tangible assets	7		4,893		1,583
Intangible assets	8		2,956		4,222
			<u>138,399</u>		<u>122,130</u>
Current assets					
Debtors	9	61,946		48,034	
Cash at bank and in hand		510,998		558,866	
		<u>572,944</u>		<u>606,900</u>	
Creditors: Amounts falling due within one year	10	163,965		277,925	
				<u>277,925</u>	
Net current assets			408,979		328,975
Total assets			<u>547,378</u>		<u>451,105</u>
Income funds					
General unrestricted funds	12		380,551		326,325
Designated funds	12		136,919		110,641
Restricted funds	13		29,908		14,139
	14		<u>547,378</u>		<u>451,105</u>

The notes on pages 19 to 29 form part of these financial statements.

The financial statements were approved by the trustees on 16 December 2020 and signed on their behalf

DocuSigned by:

D362236DA8F746E...
Simon Freakley
Chairman

Company number 6226749 (England and Wales)

UK MUSIC MASTERS LTD.
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flow from operating activities	17	(23,035)	84,752
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(5,139)	(1,620)
Payments to acquire social investments		(20,242)	(12,683)
Interest received		548	1,213
Net cash flow from investing activities		<u>(24,833)</u>	<u>(13,090)</u>
Net increase in cash and cash equivalents		(47,868)	71,662
Cash and cash equivalents at 1 September		558,866	487,204
Cash and cash equivalents at 31 August		<u><u>510,998</u></u>	<u><u>558,866</u></u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		203,019	251,411
Short term deposits		307,979	307,455
Cash and cash equivalents at 31 August		<u><u>510,998</u></u>	<u><u>558,866</u></u>

UK MUSIC MASTERS LTD.
(A COMPANY LIMITED BY GUARANTEE)

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

1 Accounting policies

1.1 Basis of preparation

UK Music Masters Ltd is a company limited by guarantee in the United Kingdom. In the event of the charitable company being wound up, the liability in respect to the guarantee is limited to £1 per member of the charitable company. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charitable company's operations and principal activities are set out on pages 4 and 5.

The charity constitutes a public benefit as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their account in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Funds accounting

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds – these represent the balance of funds donated for specific purposes which remain unspent at the balance sheet date.

Designated funds – these are unrestricted funds which have been set aside by the Trustees for future purposes.

1.3 Income recognition

All income is included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Voluntary income including donations and gifts is included in full in the SOFA when receivable. Income from charitable activities is matched to the timing of the activities.

Investment income is recognised using the effective interest method.

1.4 Expenditure Recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds are those costs incurred in attracting voluntary income.
- Charitable expenditure comprises those costs incurred by the charity in the

UK MUSIC MASTERS LTD.
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.5 Programme related investments

Programme related investments are social investments made directly in pursuit of the charity's charitable purposes. Musical instruments held as part of Music Masters Learning and loaned to pupils are held at the lower of replacement cost or the charity's own valuation. Their condition is assessed annually and full provision is made for any repairs or maintenance required.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. The cost of minor additions below £500 is not capitalised. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	-	33% straight line
Fixtures, fittings & equipment	-	33% straight line

1.7 Intangible fixed assets

Intangible fixed assets represents costs for the learning and development database. Amortisation is provided at rates calculated to write off the cost less estimated residual value over their expected useful lives, as follows:

Databases	-	20% straight line
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1.8 Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.9 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is therefore considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax services.

1.10 Accumulated funds

Unrestricted funds are donations and other incoming resources receivable for the objects of the charity without further specific use and are available as general funds.

Restricted funds are subject to specific conditions by donors as to how they may be used. Expenditure which meets these criteria is charged to the relevant fund.

1.11 Going concern

The trustees have considered the potential emerging impact of the COVID-19 virus on the future viability of the charity. The need to follow government procedure and lockdown guidance which began in March 2020 will impact the way the charity works and the ability to deliver face to face service events and fundraising activities. This could have a long-term effect on the workings of the charity and the ability to engage with the community. The charity must remain agile and adapt to the changed environment.

UK MUSIC MASTERS LTD.
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

The trustees continue to take all the available steps to maintain sufficient resources in order that the charity can continue. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue and therefore have prepared the financial statements on a going concern basis.

1.12 Judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Bad debt provision – bad debts are provided for specific debts when required and an estimate of unrecoverable debts may be made if deemed necessary

Social investments – social investments are included at the lower of replacement cost or valuation.

There are no other key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Donations and legacies	560,924	326,955	887,879	747,447
Gift aid recoverable	34,259	12,500	46,759	30,029
	<u>595,183</u>	<u>339,455</u>	<u>934,638</u>	<u>777,476</u>

3 Income from Charitable activities

Music Masters Learning	<u>229,951</u>	<u>-</u>	<u>229,951</u>	<u>230,764</u>
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UK MUSIC MASTERS LTD.
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

4	Expenditure				
		Direct Costs £	Support Costs £	Total 2020 £	Total 2019 £
	Charitable expenditure				
	Raising funds	196,641	39,828	236,469	163,369
	Business development	-	-	-	14,560
	Charitable activities	673,084	159,311	832,395	760,807
		<u>869,725</u>	<u>199,139</u>	<u>1,068,864</u>	<u>938,736</u>
	Direct Costs – Raising Funds				
	Advertising & marketing			14,111	12,233
	Event expenses			25,947	14,165
	Fundraising expenses			7,799	4,389
	Fundraising expenses – staff costs			148,784	132,582
				<u>196,641</u>	<u>163,369</u>
	Business Development				
	Development of additional income streams			-	8,685
	Staff costs			-	5,875
				<u>-</u>	<u>14,560</u>
	Direct Costs – Charitable Activities				
	Project costs			381,612	452,602
	Staff costs			291,472	142,971
				<u>673,084</u>	<u>595,573</u>
	Support Costs				
	Staff costs			137,408	102,695
	Rent and rates			21,346	22,222
	Recruitment			-	907
	Training			968	2,624
	Office costs			17,488	11,602
	Insurance			2,784	1,673
	IT support			3,507	2,009
	Equipment maintenance			2,017	1,709
	Accountancy and payroll services			360	1,391
	Travel expenses			1,120	1,415
	Bank charges			205	139
	Depreciation			1,829	2,772
	Amortisation			1,266	1,267
	Loss on disposal of intangible assets			-	5,450
	Loss on sale of social investments			767	219
	Legal fees			559	1,368
	Governance costs – Auditors' fee			6,120	5,772
	Governance costs - other			1,395	-
				<u>199,139</u>	<u>165,234</u>

UK MUSIC MASTERS LTD.
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

5 Employees

Number of employees

The average monthly head count of employees (excluding trustees) during the year was 12.3 (2019: 9.6) and the average monthly number of full-time equivalent employees (including part-time staff) during the year were as follows:

	2020 Number	2019 Number
Music Masters Learning	6	4
Development	4	3
Governance and administration	3	3
	<u>13</u>	<u>10</u>
	Total 2020 £	Total 2019 £
Staff costs		
Wages and salaries	500,375	303,169
Tax and social security costs	49,387	28,265
Pension contributions	19,570	11,563
	<u>569,332</u>	<u>342,997</u>
Other staff costs	8,332	41,127
Total staff costs	<u>577,664</u>	<u>384,124</u>

No employees were paid more than £60,000 in the year (2019: none).

None of the trustees (or any persons connected with them) received any remuneration or expenses during the year (2019: none). Pension costs are allocated to activities in proportion to the related staffing costs incurred.

The charity trustees were not paid nor did they receive any other benefits from employment with the charity in the year (2019: none).

The total remuneration paid to key management, including employers' national insurance and pension contributions was £197,579 (2019: £190,012). The charity considers its key management personnel to comprise those individuals listed on page 1.

UK MUSIC MASTERS LTD.
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

6 Social Investments

The charity loans instruments to pupils as part of Music Masters Learning activities.

	Total 2020	Total 2019
	£	£
Value brought forward at 1 September 2019	116,325	106,139
Additions in the year at cost	20,242	12,683
Disposals in the year at cost	(977)	(2,497)
Provision for Impairment	(5,040)	(-)
Value carried forward at 31 August 2020	<u>130,550</u>	<u>116,325</u>

7 Tangible Fixed Assets

	Fixtures, Fittings & Equipment	Computer Equipment	Total
	£	£	£
Cost			
As at 1 September 2019	3,188	11,084	14,272
Additions	<u>1,205</u>	<u>3,934</u>	<u>5,139</u>
At 31 August 2020	<u>4,393</u>	<u>15,018</u>	<u>19,411</u>
Depreciation			
As at 1 September 2019	2,865	9,824	12,689
Charge for year	<u>555</u>	<u>1,274</u>	<u>1,829</u>
At 31 August 2020	<u>3,420</u>	<u>11,098</u>	<u>14,518</u>
Net book value			
At 31 August 2020	<u>973</u>	<u>3,920</u>	<u>4,893</u>
At 31 August 2019	<u>323</u>	<u>1,260</u>	<u>1,583</u>

UK MUSIC MASTERS LTD.
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

8 Intangible Fixed Assets

	Development database
	£
Cost	
As at 1 September 2019	6,334
Additions	-
Disposals	-
At 31 August 2020	<u>6,334</u>
Amortisation	
As at 1 September 2019	2,112
Charge for year	1,266
At 31 August 2020	<u>3,378</u>
Net book value	
At 31 August 2020	<u>2,956</u>
At 31 August 2019	<u>4,222</u>

9 Debtors

	2020 £	2019 £
Trade debtors	36,948	38,249
Prepayments	6,344	7,985
Accrued income	18,654	1,800
	<u>61,946</u>	<u>48,034</u>

10 Creditors

	2020 £	2019 £
Amounts falling due within one year:		
Trade creditors	28,302	18,848
Other creditors	55,547	10,563
Accruals	50,116	18,514
Deferred income (note 11)	30,000	230,000
	<u>163,965</u>	<u>277,925</u>

UK MUSIC MASTERS LTD.
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

11 Deferred Income

	2020 £	2019 £
Deferred income at 1 September	230,000	213,200
Released from previous years	(230,000)	(213,200)
Amounts deferred in the year	30,000	230,000
	<u>30,000</u>	<u>230,000</u>

12 Unrestricted Funds

	At 1 September 2019 £	Income £	Expenditure £	Transfers £	At 31 August 2020 £
General Fund	326,325	825,682	745,178	(26,278)	380,551
Designated funds:					
-learning	110,641	-	-	26,278	136,919
	<u>436,966</u>	<u>825,682</u>	<u>745,178</u>	<u>-</u>	<u>517,470</u>

The designated funds are described in further detail on page 7.

13 Restricted Funds

		At 1 September 2019 £	Income £	Expenditure £	Transfers	At 31 August 2020 £
Fund:						
Learning	A	6,347	119,455	113,842	-	11,960
PGCEi	B	7,792	220,000	209,844	-	17,948
		<u>14,139</u>	<u>339,455</u>	<u>323,686</u>	<u>-</u>	<u>29,908</u>

A Music Masters Learning

This comprises restrictions to teaching activities in our partner schools; learning performances; tutor training; evaluation and feasibility work on the development of new income streams from expanding our existing activities. Incoming resources to the fund came from the following donors:

UK MUSIC MASTERS LTD.
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

Big Give, Buffini Chao Foundation, Hyde Park Estates Charity; The Mercers' Company; Segelman Trust and the John Thaw Foundation

B Team Teach: PGCEi

This includes funding towards the cost of establishing, validating and launching the PGCEi qualification for teachers. Incoming resources to this fund came from the following donors:

Emmanuel Kaye Foundation; Karlsson Játiva Charitable Foundation; The Rachel Baker Memorial Charity and The Linbury Trust as well as a major donor who wishes to remain anonymous.

Restricted Funds comparative information

		At 1 September 2018	Income	Expenditure	Transfers	At 31 August 2019
		£	£	£		£
Fund:						
Learning	A	19,386	213,615	221,828	(4,826)	6,347
PGCEi	B	-	100,000	92,208	-	7,792
Core Costs	C	4052	-	8,878	4,826	-
		23,438	313,615	322,914	-	14,139

A Music Masters Learning

This comprises restrictions to teaching activities in our partner schools; learning performances; tutor training; evaluation and feasibility work on the development of new income streams from expanding our existing activities. Incoming resources to the fund came from the following donors:

Big Give 2018, Buffini Chao Foundation, D'Oyly Carte Charitable Trust; Emerton Christie Charity; Fresh Leaf Charitable Foundation; Hyde Park Estates Charity; Lucille Graham Trust; The Mercers' Company; Samuel Gardner Trust; Radcliffe Trust; Segelman Trust; Strand Parishes Trust; John Thaw Foundation, Hélène and Pierre Vareille; Wellington Management UK Foundation; Westminster Amalgamated Trust and Youth Music

B PGCEi

This includes funding towards the cost of establishing, validating and launching the PGCEi qualification for teachers. Incoming resources to this fund came from the following donors: Karlsson Játiva Charitable Foundation and The Linbury Trust.

C Core costs

This comprises funding towards core staff costs within the learning and development teams.

UK MUSIC MASTERS LTD.
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

14 Analysis of net assets by funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2020 £
Fund balances at 31 August 2020 are represented by:				
Social investments	130,550	-	-	130,550
Tangible fixed assets	4,893	-	-	4,893
Intangible fixed assets	2,956	-	-	2,956
Current assets	374,689	136,919	61,336	572,944
Creditors	(132,537)	-	(31,428)	(163,965)
	<u>380,551</u>	<u>136,919</u>	<u>29,908</u>	<u>547,378</u>

Analysis of net assets by funds – comparative information

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2019 £
Fund balances at 31 August 2019 are represented by:				
Social investments	116,325	-	-	116,325
Tangible fixed assets	1,583	-	-	1,583
Intangible fixed assets	4,222	-	-	4,222
Current assets	252,120	110,641	244,139	606,900
Creditors	(47,925)	-	(230,000)	(277,925)
	<u>326,325</u>	<u>110,641</u>	<u>14,139</u>	<u>451,105</u>

15 Operating leases

At 31 August 2020, the charity had annual commitments under non-cancellable leases as follows:

	2020 £	2019 £
Land and Buildings:		
Not later than one year	20,000	20,000
Later than 1 year and not later than five years	41,666	61,666
	<u>61,666</u>	<u>81,666</u>

UK MUSIC MASTERS LTD.
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

16 Related party transactions

During the year ended 31 August 2020 the charity received £338,725 (2019: £249,000) in donations and incurred £nil (2019: £nil) in costs reimbursed to trustees, close members of a trustee's family or organisations controlled by trustees.

No trustee expenses were reimbursed during the year (2019: £nil). No charity trustee received payments for professional or other services supplied to the charity (2019: nil).

17 Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income for the year	96,273	70,717
Interest receivable	(548)	(1,213)
Depreciation and impairment of tangible fixed assets	1,829	2,772
Amortisation and impairment of intangible fixed assets	1,266	1,267
Cost of intangible fixed assets disposed of in year	-	5,450
Impairments on social investments	5,040	-
Cost of investments disposed of in year	977	2,497
(Increase)/decrease in debtors	(13,912)	(26,471)
Increase/ (decrease) in creditors	(113,960)	29,733
Net cash flow from operating activities	<u>(23,035)</u>	<u>84,752</u>

18 Events after the reporting date

Despite the on-going Covid-19 restrictions, the charity has continued to provide services to its beneficiaries. The Schools Programme has largely continued as normal and has followed all guidance on working in schools. There have been occasional interruptions due to year group bubbles being required to isolate; when this occurred, lessons have been delivered on-line where possible as they were during the first lockdown. Where this was not possible catch up lessons have been planned. The Team Teach: PGCEi programme has been delivered online and will continue to be delivered in this way until restrictions are fully lifted. The planned December fundraising event was re-designed and delivered successfully as a streamed event using the charity website and social media platforms and it is anticipated that the planned February event will also be an online activity. The staff team continues to work from home where possible and this will continue for as long as necessary. Details relating to Covid-19 are included in the Trustees' annual report on page 4, 5, 6 and 10 and in the going concern accounting policy note 1.11