

Annual Report of the Trustees and Financial Statements

for the year ended
31 August 2017



Company number: 2796427
Charity number: 1085708

INDEX	<u>Page</u>
Trustees' Annual Report	2
Independent examiner's report	9
Statement of Financial Activities	11
Balance Sheet	12
Notes to the Financial Statements	13

GLOUCESTERSHIRE ACADEMY OF MUSIC
REPORT OF THE TRUSTEES
For the year ended 31 August 2017

REFERENCE AND ADMINISTRATION DETAILS

Charity name: Gloucestershire Academy of Music Ltd

Other names charity is known by: Gloucester Academy of Music

Registered charity number: 1085708

Company number: 2796427

Principal address: Barbican House, 31 Barbican Road, Gloucester GL1 2JF

Trustees and Board of Directors:

Vivienne Hargreaves	Chairman	Appointed to role March 2017
Stephen Belinfante	Vice-Chairman	Appointed to role March 2017
Flavia Jones	Treasurer	
Anthony Veazey	Company Sec	
Thomas Taylor		
Simon Tyrrell		
Meurig Bowen		
Janet Hall		
James Webster		Appointed 15 November 2017

Honorary advisors:

Derek Aviss	President
Caroline Lumsden	Founder

Senior staff members:

Glyn Oxley	Director of Music	
Kirsty Winnan	Executive Director	From Sept 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document:

Gloucestershire Academy of Music (GAM) is a charitable company limited by guarantee, governed by its memorandum of association adopted on 20 February 1993.

Trustee selection methods:

Trustees are appointed by the members of the company either to fill a casual vacancy or as an addition to the Board of Trustees, provided the prescribed maximum of 10 Trustees is not exceeded. The Trustees in their capacity as members of the company and directors actively and regularly review the composition of the board and the skills represented on it.

Organisational structure:

The Charity operates under a governing Board of Directors consisting of the Trustees. The Director of Music and other senior staff or specialist advisors such as the President may also attend Board meetings which are held (on average) every other month.

A Finance Committee meets at least three times per year and is involved with preparation of financial projections, and other financial assessments to be forwarded to the whole Board.

A Buildings and Development Sub Committee that meets regularly to:

- assess and work on opportunities for partnership with other artistic organisations
- work with landlord City Council – towards a secure future at Barbican House
- liaise with other parties regarding our premises – e.g. currently regarding building works happening adjacent and around Barbican House.

The day-to-day management of the Charity is delegated to the Executive Director with the Director of Music leading on artistic decisions.

Trustee induction and training:

Trustee induction is under review as part of that organisational development. Trustees attend training and events, and some also volunteer to support weekly sessions and courses, which informs their role on the Board.

Connected parties:

GAM is a partner in the Gloucestershire Music Education Hub (branded as Make Music Gloucestershire), which distributes funding from Arts Council England via Gloucestershire County Council and is GAM's primary investor. Several charitable organisations have also contributed funds for various projects during the year.

GAM is also a member of Create Gloucestershire and is developing strategic projects with the Cheltenham Music Festival. GAM continued as a key partner in the Gloucestershire Young Musician of the year competition run by Gloucestershire Symphony Orchestra.

Risk management:

The Trustees assess risk on a rolling basis and plan to continue to review risk management

procedures in 2017/18 as part of an organisational development programme.

The programme of work is set out in a 2-year rolling business plan which ensures that the proposed level of activity is within GAM's financial and human resource capabilities. The plan is approved by the Trustees before implementation and projects or programmes are not initiated unless adequately funded.

All staff and volunteers, including Trustees, who are in regular contact with children or vulnerable adults are required to undergo an enhanced Disclosure and Barring Service check in accordance with government and Charity Commission guidelines.

OBJECTIVES AND ACTIVITIES

Objects of the charity:

GAM exists to advance public education by the promotion of the study, practice, knowledge and appreciation of the art or science of music and other performing arts.

GAM's activities were guided by its mission statement for the year, which is to:

- Play a key role, with partners, in ensuring all children and young people in Gloucestershire have access to the proven benefits of music.
- Provide access, development and progression opportunities for children, young people and adults; leading the way in classical music education through working with schools, training music teachers and providing top quality tuition using our holistic, proven teaching approaches.
- Work with partners to build and sustain *Barbican Arts* as an exciting and inclusive performing arts centre that opens up opportunities, enriches lives, sparks new collaborations, develops talent and inspires through engagement with professional artists.

Public benefit:

In planning GAM's activities for the year the Trustees kept in mind the Charity Commission's guidance on public benefit.

The main activities undertaken for public benefit during 2016/17 were:

- a programme of organisational development driven by the aims of improving efficiency, maximising impact and outreach through partnership, and further extending and diversifying the range of student beneficiaries
- to plan for an exciting future for Barbican House, GAM's headquarters, to engage a broad cross-section of communities
- further developing whole class, small group and 1-1 tuition in schools, making music accessible to a broader range of children and young people
- sustaining a diverse and attractive programme of group sessions and courses, as well as individual tuition, at GAM's centres in Gloucester and Cheltenham
- continuing to provide a series of fun and engaging residential and non-residential

holiday courses to both children and adults

- development of an inclusion and community engagement programme underpinned by a focus on extending the benefits of music to those for a broader diversity of cultural and ethnic backgrounds
- running a bursary fund to bring down financial barriers to engagement in GAM's services

ACHIEVEMENTS AND PERFORMANCE

During the financial year, GAM engaged more than 500 students from age 3 to 18. Largely thanks to GAM's central Gloucester location, our student population further expanded culturally, and in this year nearly 10% of GAM students were from a non-white UK cultural background (20 out of 216 term-time students)

GAM's key achievements during the financial year were as follows:

Organisational development:

The team and Board embarked on an ambitious programme of organisational review and development, which included:

- appointment of Executive Director Kirsty Winnan
- improving, clarifying and refining our objectives
- developing a prospect database and income generation plan
- implementing a core management / administrative team infrastructure clarification and improvement plan, plus review and development of clear contractual terms and job descriptions
- reviewing and developing policies, procedures and administrative systems – reviewed at least annually in the future
- embarking on a programme of work to improve staff and GAM teachers' cultural and disability awareness; to support performance outreach in culturally diverse areas, and to refine GAM's marketing (with a strong key message that 'classical music is accessible, whatever your economic or cultural background and regardless of disability)
- appointing a Junior Administrator to accommodate the extra work necessary due to the expansion of the organisation beginning September 2017.

Music programme:

GAM enjoyed a challenging and diverse year of music making with students having the opportunity to work with internationally recognised musicians. They also had the opportunity of performing in large scale events throughout the county in prestigious venues. Increased grant funding from the Arts Council England enabled improved reach and extension of GAM's activities, as well as allowing the expansion of the educational offer at Barbican House, Gloucester, and our Cheltenham branch Junior department.

- Monday night senior department has a new senior string orchestra for players of grade 4 – 6 standard
- String players of all standards took part in The Big String at Gloucester Cathedral

- Junior and Senior students took part in the regional Music For Youth Festival with very positive feedback from the music mentors
- Regular performance platforms gave valuable performance experience to over 60 musicians
- Whole Class teaching began in primary schools with a focus on how to enable progression for students wishing to continue to learn. Pathways to our Barbican House starter groups and individual lessons were highlighted as well as our provision in the schools themselves.
- The Easter and Summer music courses were a great success with overwhelmingly positive feedback from students and parents
- During the summer term GAM was involved with running workshops in city centre schools, including work on the Black Composers project, which resulted in co-operation with members of the UK's only ethnic minority orchestra, The Chineke Orchestra, and a joint concert. This also linked in with the Cheltenham Music Festival during July.
- Junior departments in both Gloucester and Cheltenham put on concerts at Christmas and in July where all our students performed.

FINANCIAL REVIEW

Reserves policy:

It is the Trustees' policy to maintain sufficient funds to provide working capital for the current programme of work as well as providing a base reserve of unrestricted funds to meet unexpected costs or a downturn in income. Our policy stipulates that there must be sufficient reserves to cover three months' expenditure at GAM to enable us to continue our activities while we source new funding – this is reviewed annually. Operational costs for the coming year are estimated to be £150,000, therefore a reserve in the range of £35,000-£50,000 is currently deemed sufficient to sustain the organisation should there be a shortfall in income. The level of general reserve at 31 August 2017 was £48,311.

In addition to this, £100,000 received in a legacy in 2015 as unrestricted funds is held as a designated fund for the future development of the organisation.

Major funding sources:

GAM receives fees from students for individual tuition and group lessons. Much of what we offer by way of group tuition and musical opportunities is also supported with funds from the Arts Council England, to whom the trustees are grateful. Their substantial support of GAM's programme considerably enhances our offer as well as providing teacher training and development.

The Trustees are also extremely grateful to the following for their financial support:

- The Summerfield Charitable Trust
- The D'Oyly Carte Charitable Trust
- The Coln Trust
- Mrs Pam Snell
- Brimpsfield Music Society

Bursary fund:

During the year bursaries totalling £2,426 were awarded to individuals and families of existing and prospective students of GAM attending either or both term-time activities and holiday courses. The fund is sustained with the help of donations from various individuals and groups to whom the Trustees are very grateful. In addition, a proportion of the surplus from the holiday courses and a contribution from the operation of the Schools Music Agency are added to this fund each year.

Volunteers

The Trustees are extremely grateful to those who volunteer in various ways in the organisation. In particular, the long-standing contribution of David Cliverd as IT consultant and web manager is much appreciated.

DECLARATION

Statement of Trustees' Responsibilities

The trustees (who are also directors of Gloucestershire Academy of Music Limited for the purposes of company law) are responsible for preparing the trustees' annual 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 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 incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these 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
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 that 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 other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 August 2017 was 9 (2016: 9). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

The opinion of the directors is that the company is entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies

The directors acknowledge the following responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

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

The trustees' annual report has been approved by the trustees on 16 May 2018 and signed on their behalf by

Simon Tyrrell
Trustee

Independent examiner's report to the trustees of Gloucestershire Academy of Music Limited

I report to the trustees on my examination of the accounts of Gloucestershire Academy of Music Limited for the year ended 31 August 2017.

This report is made solely to the trustees as a body, in accordance with the Charities Act 2011. My examination has been undertaken so that I might state to the trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for my examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charitable company, you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's accounts carried out under section 145 of the Charities Act 2011. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011 ('the 2011 Act').

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the consolidated accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 Accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- 2 The accounts do not accord with those records; or
- 3 The accounts do not comply with the accounting requirements of section 396 of the 2006 Act, other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or

- 4 The accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Kate Sayer, FCA, DChA

Date: 29 May 2018

Gloucestershire Academy of Music Limited

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 August 2017

	Note	Unrestricted £	Restricted £	2017 Total £	Unrestricted £	Restricted £	2016 Total £
Income from:							
Donations and legacies	2	1,537	51,520	53,057	835	25,812	26,647
Charitable activities							
Term-time courses	3	107,711	–	107,711	97,966	–	97,966
Holiday courses	3	55,009	–	55,009	53,912	–	53,912
Schools Music Agency	3	41,726	–	41,726	47,688	1,676	49,364
Other income		9,584	–	9,584	8,917	140	9,057
Investment income		28	–	28	62	–	62
Total income		215,595	51,520	267,115	209,380	27,628	237,008
Expenditure on:							
Charitable activities							
Term-time courses	4	90,890	57,994	148,884	100,688	14,588	115,276
Holiday courses	4	73,507	–	73,507	56,426	–	56,426
Schools Music Agency	4	39,405	2,000	41,405	54,413	–	54,413
Bursaries	4	–	2,426	2,426	–	3,098	3,098
Total expenditure		203,802	62,420	266,222	211,527	17,686	229,213
Net income for the year	5	11,793	(10,900)	893	(2,147)	9,942	7,795
Transfer between funds	14	(1,546)	1,546	–	4,132	(4,132)	–
Net movement in funds		10,247	(9,354)	893	1,985	5,810	7,795
Reconciliation of funds:							
Total funds brought forward		138,064	16,867	154,931	136,079	11,057	147,136
Total funds carried forward		148,311	7,513	155,824	138,064	16,867	154,931

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 14 to the financial statements.

Gloucestershire Academy of Music Limited

Balance sheet

Company no. 2796427

As at 31 August 2017

	Note	£	2017 £	£	2016 £
Fixed assets:					
Tangible assets	9		2,033		2,912
Intangible assets	10		-		-
			<u>2,033</u>		<u>2,912</u>
Current assets:					
Debtors	11	1,964		6,326	
Cash at bank and in hand		154,856		151,091	
		<u>156,820</u>		<u>157,417</u>	
Liabilities:					
Creditors: amounts falling due within one year	12	(3,029)		(5,398)	
			<u>153,791</u>		<u>152,019</u>
Net current assets / (liabilities)					
			<u>155,824</u>		<u>154,931</u>
Total assets less current liabilities					
			<u>155,824</u>		<u>154,931</u>
The funds of the charity:					
Restricted income funds	14		7,513		16,867
Unrestricted income funds:					
Designated funds		100,000		100,000	
General funds		48,311		38,064	
		<u>148,311</u>		<u>138,064</u>	
Total unrestricted funds					
			<u>155,824</u>		<u>154,931</u>

The opinion of the directors is that the company is entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies

The directors acknowledge the following responsibilities:

- (i) The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- (ii) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime.

Approved by the trustees on 16 May 2018 and signed on their behalf by

Trustee – Simon Tyrrell

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) Section 1A and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

c) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any 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 reporting period.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

e) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of term-time courses, holiday courses, Schools Music Agency and bursaries undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

1 Accounting policies (continued)

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

● Term-time courses	65%
● Holiday courses	35%
● Schools Music Agency	Fixed at 17.7% of SMA fee income

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Instruments and equipment	15% reducing balance
● Courses equipment	4 years

m) Intangible assets

Intangible assets are included at cost or fair value on acquisition and then amortised over the life of the asset.

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

1 Accounting policies (continued)

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

q) Pensions

Employees are enrolled in the NEST auto enrolment scheme, which is a defined contribution scheme. Contributions are recognised as they become payable.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Grants	-	50,420	50,420	25,812
Legacies	-	-	-	
Donations	-	1,100	1,100	835
	-	51,520	51,520	26,647

Grants were received from the following:

The Summerfield Charitable Trust	-	-	-	7,813
Arts Council England	-	46,420	46,420	10,348
The D'Oyly Carte Charitable Trust	-	3,000	3,000	-
The Music Works – Arts Council	-	-	-	2,250
Gloucestershire County Council	-	-	-	2,401
The Coln Trust	-	1,000	1,000	3,000
	-	50,420	50,420	25,812

Gloucestershire Academy of Music Limited

Notes to the financial statements

For the year ended 31 August 2017

3 Income from charitable activities

	Unrestricted	Restricted	2017 Total	2016 Total
	£	£	£	£
Individual lesson fees	55,051	-	55,051	53,342
Group lessons	45,769	-	45,769	38,804
Exam fees	6,891	-	6,891	5,820
Sub-total for Term-time courses	107,711	-	107,711	97,966
Fees from participants	55,009	-	55,009	53,912
Sub-total for Holiday courses	55,009	-	55,009	53,912
Individual lesson fees	23,053	-	23,053	25,932
Shared lesson fees	9,060	-	9,060	12,840
Group lesson fees	9,613	-	9,613	10,592
Sub-total for Schools Music Agency	41,726	-	41,726	49,364
Total income from charitable activities	204,446	-	204,446	201,242

Gloucestershire Academy of Music Limited

Notes to the financial statements

For the year ended 31 August 2017

4 Analysis of expenditure

	Charitable activities				Governance costs	Support costs	2017 Total	2016 Total
	Term-time courses	Holiday courses	Schools Music Agency	Bursaries				
	£	£	£	£	£	£	£	
Staff costs (Note 6)	73,297	21,898	33,300	-	-	58,454	186,949	167,243
Holiday courses costs	-	18,044	-	-	-	-	18,044	20,128
Examination costs	4,545	-	-	-	-	-	4,545	5,523
Instruments and music	2,972	-	-	-	-	-	2,972	1,987
Education and development	60	-	210	-	-	3,837	4,107	3,843
Prizes/Bursaries awarded	250	-	-	2,426	-	-	2,676	3,098
Property costs including utilities	1,511	-	-	-	-	11,193	12,704	8,335
Office and administration costs	-	-	-	-	-	13,614	13,614	7,423
Strategic development	-	-	-	-	16,375	-	16,375	9,600
Miscellaneous costs	-	-	510	-	-	1,808	2,318	1,070
Independent examination fee	-	-	-	-	1,500	0	1,500	-
Depreciation and amortisation	-	-	-	-	-	359	359	943
Bank charges	-	-	-	-	-	59	59	20
	82,635	39,942	34,020	2,426	17,875	89,324	266,222	229,213
Support costs	53,260	28,679	7,385	-	-	(89,324)	-	-
Governance costs	12,989	4,886	-	-	(17,875)	-	-	-
Total expenditure 2017	148,884	73,507	41,405	2,426	-	-	266,222	229,213
Total expenditure 2016	100,688	56,426	54,413	3,098	-	-	-	-

Gloucestershire Academy of Music Limited

Notes to the financial statements

For the year ended 31 August 2017

5 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2017	2016
	£	£
Depreciation	359	1,016
Independent examiner's fee	1,500	-
Interest payable	-	-
Operating lease rentals:		
Property	2,500	2,500
	<u>2,500</u>	<u>2,500</u>

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2015: £nil). No charity trustee received payment for professional or other services supplied to the charity (2015: £nil).

Staff costs were as follows:

	2017	2016
	£	£
Salaries and wages	53,778	34,756
Social security costs	3,217	2,813
Employer's contribution to defined contribution pension scheme	133	-
Fees to tutors and ancillary staff	129,821	129,674
	<u>186,949</u>	<u>167,243</u>

No employee earned more than £60,000 during the year (2015: nil).

The total employee benefits including pension contributions of the key management personnel were £33,532 (2016: £19,421).

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was three (2016 – three).

8 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

9 Tangible fixed assets

	Instruments & equipment £	Courses equipment £	Total £
Cost or valuation			
At the start of the year	12,043	2,082	14,125
Additions in year	-	-	-
Disposals in year	-	(2,082)	(2,082)
At the end of the year	<u>12,043</u>	<u>-</u>	<u>12,043</u>
Depreciation			
At the start of the year	9,651	1,562	11,213
Disposals	-	(1,562)	(1,562)
Charge for the year	359	-	359
At the end of the year	<u>10,010</u>	<u>-</u>	<u>10,010</u>
Net book value			
At the end of the year	<u>2,033</u>	<u>-</u>	<u>2,033</u>
At the start of the year	<u>2,392</u>	<u>520</u>	<u>2,912</u>

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31 August 2017

10 Intangible assets

The holiday courses concept and business was purchased by GAM in 2003 for £30,000 and the cost amortised over ten years.

11 Debtors

	2017 £	2016 £
Trade debtors	891	1,318
Other debtors	-	-
Prepayments	1,073	5,008
Accrued income	-	-
	<u>1,964</u>	<u>6,326</u>

12 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	88	4,421
Taxation and social security	-	-
Amounts received in advance	1,441	977
Accruals	1,500	-
	<u>3,029</u>	<u>5,398</u>

13 Analysis of net assets between funds

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	2,033	-	-	2,033
Net current assets	46,278	100,000	7,513	153,791
Net assets at the end of the year	<u>48,311</u>	<u>100,000</u>	<u>7,513</u>	<u>155,824</u>

Gloucestershire Academy of Music Limited

Notes to the financial statements

For the year ended 31 August 2017

14 Movements in funds

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Restricted funds:					
a Bursary fund	6,643	100	2,426	1,696	6,013
b Summerfield Charitable Trust	3,913	-	3,913	-	-
c Arts Council England	4,311	46,420	49,231	-	1,500
d The D'Oyly Carte Charitable Trust	-	3,000	2,850	(150)	-
Coln Trust	2,000	1,000	3,000	-	-
Pam Snell – for music stands	-	1,000	1,000	-	-
Total restricted funds	16,867	51,520	62,420	1,546	7,513
Unrestricted funds:					
Designated funds:					
Development fund	100,000	-	-	-	100,000
Total designated funds	100,000	-	-	-	100,000
General funds	38,064	215,595	203,802	(1,546)	48,311
Total unrestricted funds	138,064	215,595	203,802	(1,546)	148,311
Total funds	154,931	267,115	266,222	-	155,824

A transfer was made from the bursary account to fees where funds have been made available to support lessons, but previously not recognised as income.

Purpose of restricted funds

- a *Bursary fund* – to make awards to individuals and families of existing and prospective students attending term-time activities and holiday courses.
- b *Summerfield Charitable Trust* – to fund a part-time development director
- c *Arts Council for England* – this is funding for training and courses in Gloucestershire
- d *The D'Oyly Carte Charitable Trust* – a one-off grant to support work on diversifying participation

The transfer represents the amounts contributed to the bursary fund from the Holiday courses, the Schools Music Agency activity and the D'Oyly Carte Charitable Trust.

Purpose of designated funds

The designated fund was created from a legacy received in 2015 and is held to support the future development of the charity.

15 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.