



Trustees Annual Report

April 2017 -
March 2018

Registered Address:

Ramsgate Youth Centre
High Street, St Lawrence
RAMSGATE
Kent CT11 0QG

Tel: 01843 596777 / 596998
Email: info@piefactorymusic.com
www.piefactorymusic.com

Registered Charity No. 1097561
Company Limited by Guarantee No. 4602033

Trustees to the Charity

Brian Spencer-Smith	:	appointed 29 th October 2012 Chair as at 13 th July 2015
Christina Clark	:	appointed 26 th September 2012
John Lane	:	appointed 10 th November 2015
Sallyann Harris	:	appointed 22 nd March 2011

Company Secretary :

Caroline O'Reilly	:	appointed 27 th November 2002
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Senior Management Team

Steph Dickinson	:	Managing Director
Caroline O'Reilly	:	Finance & Operations Manager
Zoe Carassik-Lord	:	Programme Manager

Pie Factory Music Trustees Annual Report : April 2017 - March 2018

History

Youth Music initially awarded Thanet a grant of £316,000 in 2000 for a three-year project to bring music to the young people of Thanet under their Action Zone scheme. Thanet Youth Music Action Zone was created and the programme began in 2001.

A condition of this funding as set out by Youth Music was to make the Action Zone a sustainable project and, to this end, in November 2002 Thanet Youth Music Action Zone became Pie Factory Music, a registered charity and company limited by guarantee.

As a result, Pie Factory Music has been able to source further funding enabling the organisation to extend its programme to a wider age group demographic and further areas across East Kent, whilst carrying on the Action Zone project within the overall programme until such time as the Action Zone project was deactivated by Youth Music. From this time, Pie Factory Music has continued to provide free music and related arts opportunities to young people via alternative sources of funding.

Pie Factory Music Summary

Pie Factory Music is an East Kent organisation set up to create a better cultural and social environment and a higher quality of life through free music and related arts workshops primarily but not exclusively for young people, with a focus on the deprived and disadvantaged wards. The work has already brought enormous benefit to the East Kent region, as our remit is one of social integration, personal development and regeneration through music, not just the pursuance of music as an art form in itself.

Music is a superb tool for motivation, inclusion, health and play. PFM uses this tool effectively through fun days, taster days, workshop programmes, events, dvd, video, animations, lyric writing, performances and audio recordings. This work consistently raises levels of self-worth and confidence. For those young people who want to take their experience with us further, PFM works with youth and statutory organisations to provide educational and vocational pathways.

Since January 2013, Pie Factory Music has utilised its skills and creativity around music and related arts to offer a commissioned youth service offer, enabling a wider reach and offering more opportunities to a greater number of young people in our community to widen their outlook and the opportunities to them in a bid to enhance their outlook on life.

In the early 2000's, Thanet District Council was a 'failing' council. The Audit Commission Corporate Assessment June 2006 report states that the council has improved to adequate performance – scoring 2 across the board of assessment scores which equates to "at only minimum requirements".

Teenage conceptions under the age of 18 for Thanet in 2014 was 3.06%, compared to the national average of 2.1%.

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/conceptionandfertilityrates/bulletins/conceptionstatistics/2015>

Over the past 10 years Kent's population has grown by 11% between 2006 and 2016, above the average both for the South East (9.1%) and for England (8.4%).

Kent has a greater proportion of young people aged 5-19 years. Kent has an aging population; forecasts show that the number of 65+ year olds is forecast to increase by 57.5% between 2015 and 2035, yet the proportion of population aged under 65 is only forecast to increase by 15%.

93.7% of all residents in Kent are of white ethnic origin and 6.6% are of BME. The largest single BME group in Kent is Indian representing 1.2% of the total population.

<http://www.kent.gov.uk/about-the-council/information-and-data/Facts-and-figures-about-Kent/summary-of-kent-facts-and-figures#tab-2>

Kent is ranked at 100th out of 152 counties in England, placing Kent within the least deprived 50% of all counties and authorities in England. Thanet continues to rank as the most deprived local authority in Kent.

Nationally, Thanet is ranked at 21 out of 326 authorities, placing it within England's 10% most deprived of authorities.

http://www.kent.gov.uk/__data/assets/pdf_file/0006/7953/Indices-of-Deprivation-headline-findings.pdf

Thanet has the highest child poverty range in the county at 26.9% (8,160 children). It has the second highest child poverty rate in the South East region and is within the top 20% of districts with the highest levels of child poverty in the country.

9 of the 23 wards in Thanet are within the 20% in Kent with highest levels of child poverty. Thanet has the highest child poverty rates in the county in all age groups and are significantly higher than the county, regional and national average.

http://www.kent.gov.uk/__data/assets/pdf_file/0009/7956/Children-in-poverty.pdf

There are 94.6 looked after children per 1,000 aged 0-17 years in Thanet compared to 44.3 looked after children per 1,000 in Kent.

There are 4.5% young people aged under the age of 10 to 19 years providing unpaid care in Thanet. This is higher than the average for Kent of 4.4% and for England of 4.3%.

3.8% of school children in Thanet have a statement, higher than the Kent figure of 2.9%. A further 9.8% of school children in Thanet have special needs but not statement, compared to Kent at 9.2%.

Annual average unemployment rate for 2016 in Thanet was 3.3%, in Kent it was 1.6% and across the country it was 1.8%.

<http://www.kent.gov.uk/about-the-council/information-and-data/Facts-and-figures-about-Kent/area-profiles>

The Thanet Youth Strategy Action Plan 2011/12 has 23 aims under the headings of: Poverty; Resilience & Health; Parenting; Housing; Vulnerable children; Things to do; Engagement & Achievement and Safety.

Aims & Objectives

- To encourage self worth, raise the expectations and confidence of the children and young people of Thanet and East Kent
- To create a safe environment for experimentation, exploration and the enjoyment of music making
- To provide a centre in which activities can be focused and from where activities can go out

Achievements

Strategic: During this financial year, we built on our existing relationships and partnerships in Thanet, as well as continuing to develop our new district of Dover, forging stronger partnerships within and outside the organisation. This was accomplished through partnership and collaborative working alongside a responsive work ethic for areas identified as requiring a stronger positive presence.

The commissions for both Thanet district and Dover district are for a 5 year period, beginning December 2016 and ending November 2021.

As a result of the two new commissions, we had a successful recruitment drive resulting in an increase in our workforce of 50%. Our recruitment drive yielded a Programme Manager, a Youth Work Team Leader, 4 Sessional Youth Workers and an Admin Support. During this period, we also temporarily lost our Managing Director to maternity leave. As a result, the remaining office team stepped up to manage the charity and contracts in her absence under the leadership of the Finance & Operations Manager.

With such an increase in our workforce during this financial year in such a short space of time and continuing to learn a completely new district whilst building confidence and trust with funders and stakeholders alike, the organisation had to take an inward look at structure and processes to make sure that it was able to manage the new pressures. The support of the Board of Trustees during this process was paramount and the charity improved its standing in the local and wider community, forging new partnerships and strengthening existing ones.

We remain vigilant in sourcing new Trustee board members with specific skill sets that compliment the current skills on the board and enhance the productivity of the charity.

Projects : During the course of the year we have offered young people continued opportunities to grow in confidence, skills and creativity. Examples of the project diversity are demonstrated below:

a) Create Community is our intergenerational project. Funded for 2 years by People's Health Trust, the aim of the project is to help break down barriers between different ages, help people feel less isolated in their communities and give space and opportunity for young people and the older generation alike to share skills and experiences in a friendly and non-threatening environment. Activities during the sessions are varied but every week includes a meal prepared by the participants that they all sit down to and eat and socialise together.



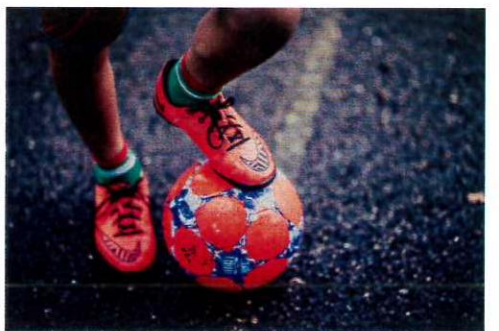
b) Dover Big Local funded us to run a programme of youth engagement sessions around the area of St Radigunds, Dover. Sessions were open for all ages and offered a wide range of activities to engage young people and promote the open access youth work PFM carries out in Dover.



c) Exploring Youth Voice and Participation was a training session for art organisations in Kent working with young people, held in partnership with Turner Contemporary and supported by Art31 Kent. The session explored some of the theories and frameworks around youth voice, discussed what meaningful youth participation looks like and shared examples of best practice from arts organisations across the UK. The trainer leading the session for the day was Adem Holness, a musician, producer and former Roundhouse Young Trustee, who has delivered youth voice consultancy to organisations across the UK.



d) Youth Club at Ramsgate Youth Centre, funded by Kent County Council, offer a wide range of activities for young people from 8-19 (up to 25 if they have disabilities). There are opportunities for gaining accredited qualifications, creating new social networks, developing musical skills and aptitudes, leadership roles, arts and crafts, day trips, residentials - the list goes on. At every session, every young person is given the opportunity to grow in confidence, learn something new, make new friends and have fun, all in a relaxed, friendly atmosphere.



e) 1:1 Creative Interventions have been offered to those young people who struggle with day to day life, regardless of the reasons why. The aim of the sessions - which are tailored to each individual - is to build that young person's confidence so they can take part in the regular open access youth club sessions.

f) Studio time was made available for those young people who have demonstrated their maturity, musical drive and creativity and their reliability. These young people have been given special permission to access the studio unaccompanied to create and produce their own music. The aim is to help develop their understanding of the music industry in a controlled environment; we are always looking at ways in which we can support our young people in their musical and personal development so they have the ability to create their own opportunities in life.



Performances : Our young people have had a wide variety of performance opportunities, both within the workshop setting and outside, including:

- Create Community Talent Show: Our intergenerational project, Create Community, organised a talent show for its participants and those of the Live Room, a regular session that follows on from Create Community. Young people across both sessions put themselves forward to take part, including solo acts, bands and collaborations. Elijah, one of the senior members of Live Room, organised the running order for the evening, ensuring the event ran smoothly behind the scenes. The participants were judged by a panel made up of a PFM Trustee, PFM Programme Manager and a member of the Create Community steering committee. Prizes ranged from boxes of chocolates for the under 11's, Ramsgate Music Hall tickets through to studio time with PFM's Sound Engineer. The show was a huge success with a brilliant atmosphere for all those involved - participants, organisers, judges, audience members and everyone in between!
- Culture - this was an event organised and promoted by one of our regular young people, Elijah. After his successful performance and involvement at the Create Community Talent Show, Elijah started talking to the office team about putting on his own gig in the centre to promote his new digital network of urban artists in Kent - Pioneers Kent. With our support and guidance, Elijah succeeded in hosting his event, though which he learnt a lot about event management, promotion, logistics and reflection. [Click here](#) to see the video he made promoting his event Culture.



- Aylesham Talent Show: The young people from Alyesham Junior Youth Club came together for a fabulous talent show, demonstrating skills ranging from composition, puppetry and comedy through to singing, dance and comparing. With the aid of some of the Senior Youth Club members, the talented young people overcame a lot of personal hurdles to wow their audience of friends and family members. Each participant, whether they performed or worked behind the scenes to ensure the smooth running of the event, gained recorded outcomes. Feedback after the show included comments such as:

"Found it fun, wanted to perform again and got the opportunity to do so and to build up confidence"

"Would like to do on a proper stage, more like a gig"

"All perform together, and make a proper event, advertising and profitable. We'll be stars of Kent"



Workshop Programme & Youth Club Sessions : In total, we ran 1,209 music workshops and youth club sessions encompassing a wide range of genres, including:

Vocal Techniques	Song & Lyric Writing	Music Technology & MC-ing
Peer Leadership	Trainee Programmes	Accreditation
Cookery	Hip Hop Sessions	Performance & Band Skills
Recording & Music Production		Triggers & Conductive Ink
Event promotion and management		
Healthy Eating	Gardening	Photography
Fashion & Design	First Aid	Sports
Various Trips	Arts & Crafts	Arts Awards

We saw a total of 768 young people in Dover and 1,131 young people in Thanet during the course of this year.

Of these, a total of 178 young people achieved accredited learning and a total of 925 young people achieved 11,660 recorded outcomes, i.e. an average of 12 recorded outcomes per young person.

A recorded outcome can be defined as personal development for any young person, whether that's a development in their confidence, mental wellbeing or learnt skill.

Accredited learning can be defined as a course undertaken by a young person that has been set by an accredited body, e.g. first aid, Arts Award, Duke of Edinburgh's Award Scheme, etc.

Relationships and opportunities piloted during the last financial year with Pupil Referral Units (PRU) were built on and strengthened. Being based in the Youth Centre has enabled us to further strengthen our relationships with the Youth Offending Team and Sexual Health.

Bemix (formerly known as Skillnet Group) have continued to use our facility and some of our musical equipment to run their sessions for adults with disabilities.

Pinnacle People, part of Pinnacle Group, approached us during this financial year to use our facility and have a dedicated space where they can meet their clients. Pinnacle People *"work in partnership with local communities to delivery sustainable outcomes that go beyond simply finding people a job."*

Trainees : Young people have been offered positions as trainees within our music workshops in a continued effort to encourage and develop those that are interested in a career in music and/or music delivery and have demonstrated the passion and creativity necessary to become a workshop tutor in their own right.

The successful candidates worked alongside experienced tutors, gaining valuable experience and confidence to take forward into their working lives. Skills learned included being able to lead a group in warm up, leading sessions, working individually with other young people in a monitored environment, performing, planning and administration. At the same time, the trainees have improved their own musical skills and have gained confidence throughout the year, performing in their own right at local small gigs and events.

The trainees have gained the trust and respect of the young people they work with, as well as that of the workshop tutors.

Volunteers : Through the youth centre PFM has been able to engage with young people and provide a volunteer programme within the youth club. 9 young people accessed the provision consistently during this financial year and were given specific responsibilities within the youth club in order to gain confidence and transferable skills for future employment.

One young person was able to access training in an introduction to youth work, the learning from which he brought back into the youth club.

We highly value all volunteers that we are successful in obtaining for their varied skills and life experiences that they bring to our organisation and our sessions. Through the course of this financial year, we secured 8 adult volunteers covering a range of skills and activities. Some of these volunteers were able to gain employment as a result of their time volunteering with PFM.

Through our Create Community intergenerational project, 5 participants took up the opportunity to volunteer and 8 adults took advantage of steering group opportunities. Responsibilities varied from person to person and skills were developed in areas of leadership, co-operative working, steering the group and creative activities.

Partnerships : PFM has partnered and worked with various organisations across the county. Some of these partnerships were the result of funding requirements, some because PFMs services were bought in specifically and some were the result of continuation of existing working relationships.

Each partnership has either been influential in or resulted in a young person's progress through their own journey, be it music, growing in confidence, overcoming challenging issues or raising levels of self-esteem.

Partners have included:

- Dreamland
- Community Church Ramsgate
- Aylesham Baptist Free Church
- Bradstow School
- Salmestone Primary School
- Dover Town Council
- Kent Wildlife Trust
- KFCA (Kent Foster Carers Association)
- Gulbenkian Theatre
- ART31
- Thanet District Council
- Various signposting agencies
- Friends of Ellington Park
- Sport4NRG : sports activities
- The Zone, Broadstairs
- POW! Thanet : workshops & event
- Various PRUs
- Project 15
- Bemix (Skillnet Group)

Financial Review

The successful 5 year commission from KCC to run and operate the youth centre and provide the youth provision for the Thanet district, as well as the 5 year commission from KCC to provide the youth provision for the Dover District, became well underway during this financial year, enabling us to continue to provide a valuable service to the young people of Ramsgate primarily, and Thanet as a whole, as well as Dover, Ash and Aylesham.

We secured substantial funding in addition to the original KCC commissions throughout the year to provide a wide variety of creative opportunities for young people. These are listed below:

- **KCC Thanet : £125,535.63** : A 5 year commission for the youth provision for the district of Thanet, in partnership with The Zone, Broadstairs. Restricted to youth provision for 8-19 years (up to 25 with disabilities). Commission began December 2016 and is expected to finish November 2021.
- **KCC Dover : £91,684.70** : A 5 year commission for the youth provision for the district of Dover. Restricted to youth provision for 8-19 years (up to 25 with disabilities). Commission began December 2016 and is expected to finish November 2021.
- **Giving Back : £350.00** : Final grant from Southern Housing to provide 4 specific events to include young people and families in their catchment areas in Thanet.
- **Active Communities, People's Health Trust : £11,967.00** : Grant awarded for a 2 year inter-generational project, primarily for young people and over 60's. Creative community projects giving opportunities for isolated adults to socialise, for young people to gain knowledge and insight offered by the older generation and for building skill sets and confidence, and breaking down stereotypical age barriers across the age groups. This project is expected to finish in June 2018.
- **Art 31 Youth Participation : £1,000.00** : Grant awarded for a training day for arts organisations on the theme of youth voice and participation.
- **OurNight Art31 : £200.00** : Final payment of grant awarded for a project enabling a group of young people to learn leadership skills and receive training to be able to organise and host an event.
- **Southern Housing : £1,000.00** : Grant awarded for a project working with young people, specifically in the St Radigunds area of Dover and based at Triangles Children's Centre.

Any monies in the drawn up accounts showing as surplus are due to awarded funds restricted for specific workshops and/or in addition to PFM's Reserves Policy and are therefore not profit.

Any monies made during the course of the financial year from invoiced for projects, studio income and equipment/venue hire are ploughed back into the programme of events, core costs, repairs & maintenance, etc.

Reserves Policy

Introduction

Pie Factory Music operates a Reserves Policy which is a designated figure for the sole purpose of supporting essential staff and building operations in the event of unforeseen difficulties, and for any other liabilities as identified by the Board of Trustees. The monies for the Reserves Policy have been built up since 2002 from surplus income and are not grant funded or restricted.

Current Policy

A formal policy on reserves was agreed at the Directors meeting held on 9th May 2006, reviewed annually. It states:

The Trustees have set a reserves policy that requires:

- reserves be maintained at a level which ensures that Pie Factory Music organisation's core activity could continue during a period of unforeseen difficulty;
- a proportion of reserves are maintained in a readily realisable form.

Risk Management

The Trustees confirm that the major risks to which the charity is exposed, as identified by the Trustees and Senior Management Team, have been reviewed and systems have been established to manage those risks.

Organisational Commitments

The level of the Reserves Policy will ensure that the Senior Management Team will continue to be employed for a period of three months in order for those staff members to source funding to resume the organisations activities.

The level of the Reserves Policy will also cover the core operational costs for three months, to ensure that Pie Factory Music's headquarters are maintained whilst further funding is being sourced.

The Reserves Policy is also there in circumstances where the organisation may need to cease to trade to meet outstanding liabilities, including redundancies.

Current Reserves Level

The Trustees have agreed the level of £59,962.30 being suitable to mitigate against these risks. Reserves of £59,962.30 are set in place.

Should the necessity arise, strategies to increase the level of reserves are in place and are outlined in the Management Risk Assessment.

The Reserve Policy will be reviewed annually to ensure that it is a true reflection of the level of commitment to ensure that Pie Factory Music will be able to maintain its core activities in the event of any unforeseen difficulties.

Plans for the Future

Pie Factory Music will continue:

- to assess the risks and manage those risks to the best of its abilities
- to source funding that permits full cost recovery
- to continue running and co-ordinating the youth service provision from Ramsgate Youth Centre until such time as the commission for that service has come to an end
- to continue running and co-ordinating the youth service provision for Dover until such time as the commission for that service has come to an end
- to keep media informed of the workshop programme and youth centre provision
- to maintain an up to date website
- to maintain an up to date presence on social media, e.g. twitter, facebook
- to explore the concept of sponsorship
- to expand on establishing itself across East Kent and to research & source further options in a bid to aid the sustainability of the charity
- to further develop and strengthen existing partnerships across East Kent

The new financial year will see a strong emphasis on publicity and press releases to raise awareness of Pie Factory Music and the new undertakings for 2018/19 in general, with a focus on the development and embedding of our youth provision in Dover.

PFM will look at expanding the income streams to incorporate and embed more music and creative arts activities, in line with our mission statement.

Conclusion

Pie Factory Music has had a successful year of workshop attendances and project outcomes. PFM continues to make strides towards becoming sustainable for the future in this unsettled economic climate, exploring various income generating options, thus fulfilling an original funding stipulation as set out by Youth Music.

PFM continues to be an integral part of the strategic planning of children and young people services in Thanet. We sit on a number of strategic boards, including the Children's Trust Board and Thanet Community Safety Partnership. These look at multi-agency approaches to reducing targets such as crime, anti-social behaviour, rubbish, health issues, etc.

PFM is dedicated to explore and examine possible options for the sustainability and the continuation of the programme and to progress and promote the charity to its fullest potential whilst continuing to support as many young people across East Kent as possible.

With continued support from the Board of Trustees, the local Council and community members, Pie Factory Music will continue its growth and expansion in and across East Kent.

Structure, Governance & Management

1. Governing Document

The organisation is a company limited by guarantee (registered 27th November 2002) with charitable status (registered 16th May 2003). The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up Trustees are required to contribute an amount not exceeding £1.

2. Recruitment & Appointment of Management Committee

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Management Committee.

3. Risk Management

The management committee has conducted a review of the major risks to which the charity is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the centre and programme of workshops.

Responsibilities of the Management Committee

Company law requires the Management Committee to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Management Committee should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

- prepare the financial statements on the going concern basis unless it is not appropriate to assume that the company will continue on that basis.

The Management Committee is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Management Committee is 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.

Members of the Management Committee

Members of the management committee, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 2.

In accordance with company law, as the company's directors, we certify that:

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

Approved by the Management Committee on 11th October 2018 and signed on its behalf by:



Brian Spencer-Smith
Chair

Pie Factory Music
Company Limited by Guarantee
Unaudited Financial Statements
5 April 2018

LEVICKS

Chartered accountant
Station Gates
3 Lloyd Road
BROADSTAIRS
Kent
CT10 1HY

Pie Factory Music

Company Limited by Guarantee

Financial Statements

Year ended 5 April 2018

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Pie Factory Music

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 5 April 2018

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 5 April 2018.

Reference and administrative details

Registered charity name	Pie Factory Music
Charity registration number	1097561
Company registration number	04602033
Principal office and registered office	Ramsgate Youth Centre High Street St Lawrence Ramsgate CT11 0QG Kent

The trustees

	Mr B Spencer-Smith Ms C Clark Ms S Harris Mr J Lane
Company secretary	Mrs C O'Reilly
Independent examiner	T Percy FCCA Station Gates 3 Lloyd Road BROADSTAIRS Kent CT10 1HY

Structure, governance and management

See separate report.

Objectives and activities

See separate report.

Achievements and performance

See separate report.

Financial review

See separate report.

Pie Factory Music

Company Limited by Guarantee

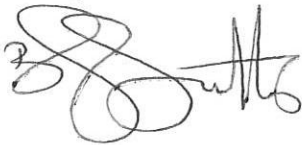
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 5 April 2018

Small company provisions

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

The trustees' annual report was approved on 13/11/18 and signed on behalf of the board of trustees by:

A handwritten signature in black ink, appearing to read 'B Spencer-Smith', written over a horizontal line.

Mr B Spencer-Smith
Trustee

Pie Factory Music

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Pie Factory Music

Year ended 5 April 2018

I report to the trustees on my examination of the financial statements of Pie Factory Music ('the charity') for the year ended 5 April 2018.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements 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 charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity'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 Association of Chartered Certified Accountants, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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 financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Pie Factory Music

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Pie Factory Music *(continued)*

Year ended 5 April 2018

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.



T. Percy FCCA
Independent Examiner

Station Gates
3 Lloyd Road
BROADSTAIRS
Kent
CT10 1HY

30 November 2018

Pie Factory Music

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 5 April 2018

		Unrestricted funds	2018 Restricted funds	Total funds	2017 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	21,949	250,003	271,952	214,037
Charitable activities	6	120	–	120	207
Total income		<u>22,069</u>	<u>250,003</u>	<u>272,072</u>	<u>214,244</u>
Expenditure					
Expenditure on charitable activities	7,8	9,605	243,347	252,952	174,488
Total expenditure		<u>9,605</u>	<u>243,347</u>	<u>252,952</u>	<u>174,488</u>
Net income and net movement in funds		<u>12,464</u>	<u>6,656</u>	<u>19,120</u>	<u>39,756</u>
Reconciliation of funds					
Transfers between funds		6,126	(6,126)	–	–
Total funds brought forward		<u>101,762</u>	<u>53,333</u>	<u>155,095</u>	<u>115,339</u>
Total funds carried forward		<u>120,352</u>	<u>53,863</u>	<u>174,215</u>	<u>155,095</u>

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

The notes on pages 7 to 13 form part of these financial statements.

Pie Factory Music

Company Limited by Guarantee

Statement of Financial Position

5 April 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible fixed assets	14	4,066	3,372
Current assets			
Debtors	15	24,423	21,454
Cash at bank and in hand		<u>152,346</u>	<u>132,849</u>
		176,769	154,303
Creditors: amounts falling due within one year	16	<u>6,620</u>	<u>2,580</u>
Net current assets		170,149	151,723
Total assets less current liabilities		<u>174,215</u>	<u>155,095</u>
Funds of the charity			
Restricted funds		53,863	53,333
Unrestricted funds		<u>120,352</u>	<u>101,762</u>
Total charity funds	17	<u>174,215</u>	<u>155,095</u>

For the year ending 5 April 2018 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements 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 financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on 13.11.18, and are signed on behalf of the board by:



Mr B Spencer-Smith
Trustee

The notes on pages 7 to 13 form part of these financial statements.

Pie Factory Music

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 5 April 2018

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Ramsgate Youth Centre, High Street, St Lawrence, Ramsgate, CT11 0QG, Kent.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Pie Factory Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2018

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Pie Factory Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2018

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment	-	25% on cost
Motor vehicles	-	25% reducing balance
Computer Equipment	-	25% on cost

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

4. Limited by guarantee

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Pie Factory Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2018

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Donations			
Donations	21,949	—	21,949
Grants			
Grants receivable	—	250,003	250,003
	<u>21,949</u>	<u>250,003</u>	<u>271,952</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Donations			
Donations	23,540	—	23,540
Grants			
Grants receivable	—	190,497	190,497
	<u>23,540</u>	<u>190,497</u>	<u>214,037</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Studio Income	<u>120</u>	<u>120</u>	<u>207</u>	<u>207</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Support costs	<u>9,605</u>	<u>243,347</u>	<u>252,952</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Support costs	<u>34,861</u>	<u>139,627</u>	<u>174,488</u>

Pie Factory Music

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 5 April 2018

8. Expenditure on charitable activities by activity type

	Support costs	Total funds 2018	Total fund 2017
	£	£	£
Activity	250,860	250,860	171,939
Governance costs	2,092	2,092	2,549
	<u>252,952</u>	<u>252,952</u>	<u>174,488</u>

9. Analysis of support costs

	Analysis of support costs activity 1	Total 2018	Total 2017
	£	£	£
Staff costs	153,113	153,113	97,353
Premises	11,148	11,148	18,316
General office	4,122	4,122	2,535
Support costs	78,836	78,836	51,244
	<u>247,219</u>	<u>247,219</u>	<u>169,448</u>

10. Net income

Net income is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation of tangible fixed assets	<u>2,645</u>	<u>2,730</u>

11. Independent examination fees

	2018	2017
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,740</u>	<u>1,680</u>

12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2018	2017
	£	£
Wages and salaries	<u>153,113</u>	<u>97,353</u>

The average head count of employees during the year was 14 (2017: 8). The average number of full-time equivalent employees during the year is analysed as follows:

	2018	2017
	No.	No.
Number of staff - Admin	<u>14</u>	<u>8</u>

Pie Factory Music

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 5 April 2018

12. Staff costs (continued)

No employee received employee benefits of more than £60,000 during the year (2017: Nil).

13. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

14. Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost				
At 6 April 2017	83,391	19,564	17,548	120,503
Additions	373	—	2,966	3,339
At 5 April 2018	83,764	19,564	20,514	123,842
Depreciation				
At 6 April 2017	82,000	18,186	16,945	117,131
Charge for the year	1,021	344	1,280	2,645
At 5 April 2018	83,021	18,530	18,225	119,776
Carrying amount				
At 5 April 2018	743	1,034	2,289	4,066
At 5 April 2017	1,391	1,378	603	3,372

15. Debtors

	2018 £	2017 £
Trade debtors	23,404	21,454
Other debtors	1,019	—
	24,423	21,454

16. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	272	900
Other creditors	6,348	1,680
	6,620	2,580

Pie Factory Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2018

17. Analysis of charitable funds

Unrestricted funds

	At 6 April 2017	Income	Expenditure	Transfers	At 5 April 2018
	£	£	£	£	£
General funds	<u>101,762</u>	<u>22,069</u>	<u>(9,605)</u>	<u>6,126</u>	<u>120,352</u>

Restricted funds

	At 6 April 2017	Income	Expenditure	Transfers	At 5 April 2018
	£	£	£	£	£
Restricted Funds	<u>53,333</u>	<u>250,003</u>	<u>(243,347)</u>	<u>(6,126)</u>	<u>53,863</u>

18. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2018	Total Funds 2017
	£	£	£	£
Tangible fixed assets	4,066	–	4,066	3,372
Current assets	122,906	53,863	176,769	154,303
Creditors less than 1 year	<u>(6,620)</u>	<u>–</u>	<u>(6,620)</u>	<u>(2,580)</u>
Net assets	<u>120,352</u>	<u>53,863</u>	<u>174,215</u>	<u>155,095</u>

Pie Factory Music

Company Limited by Guarantee

Management Information

Year ended 5 April 2018

The following pages do not form part of the financial statements.

Pie Factory Music

Company Limited by Guarantee

Detailed Statement of Financial Activities

Year ended 5 April 2018

	2018 £	2017 £
Income and endowments		
Donations and legacies		
Donations	21,949	23,540
Grants receivable	250,003	190,497
	<u>271,952</u>	<u>214,037</u>
Charitable activities		
Studio Income	120	207
	<u>120</u>	<u>207</u>
Total income	<u>272,072</u>	<u>214,244</u>
Expenditure		
Expenditure on charitable activities		
Purchases	78,836	51,005
Wages and salaries	153,113	97,353
Rates and water	3,689	3,961
Light and heat	4,422	5,420
Repairs and maintenance	2,157	5,671
Insurance	1,787	3,214
Other motor/travel costs	88	50
Legal and professional fees	1,740	2,280
Telephone	1,961	1,271
Other office costs	2	14
Depreciation	2,645	2,730
Other interest payable and similar charges	352	269
Sundry	2,160	1,250
	<u>252,952</u>	<u>174,488</u>
Total expenditure	<u>252,952</u>	<u>174,488</u>
Net income	<u>19,120</u>	<u>39,756</u>

Pie Factory Music

Company Limited by Guarantee

Notes to the Detailed Statement of Financial Activities

Year ended 5 April 2018

	2018 £	2017 £
Expenditure on charitable activities		
Activity type 1		
Support costs		
Support charitable activity - project costs	78,836	51,005
Support charitable activity - wages/salaries	153,113	97,353
Support charitable activity - rates & water	3,689	3,961
Support charitable activity - light & heat	4,422	5,420
Support charitable activity - repairs & maintenance	2,157	5,671
Support charitable activity - insurance	1,787	3,214
Support charitable activity - other motor/travel costs	88	50
Support charitable activity - telephone	1,961	1,271
Support charitable activity - postage & stationery	2	14
Support charitable activity - depreciation	2,645	2,730
Support charitable activity - sundry	2,160	1,250
	<u>250,860</u>	<u>171,939</u>
Governance costs		
Governance costs - accountancy fees	1,740	1,740
Governance costs - legal and other professional fees	—	540
Governance costs - bank charges	352	269
	<u>2,092</u>	<u>2,549</u>
Expenditure on charitable activities	<u>252,952</u>	<u>174,488</u>

COMPANY REGISTRATION NUMBER: 04602033
CHARITY REGISTRATION NUMBER: 1097561

Pie Factory Music
Company Limited by Guarantee
Unaudited Financial Statements
5 April 2018

LEVICKS

Chartered accountant
Station Gates
3 Lloyd Road
BROADSTAIRS
Kent
CT10 1HY

Pie Factory Music

Company Limited by Guarantee

Financial Statements

Year ended 5 April 2018

	Page
Trustees' annual report (incorporating the director's report)	1
Independent examiner's report to the trustees	3
Statement of financial activities (including income and expenditure account)	5
Statement of financial position	6
Notes to the financial statements	7
The following pages do not form part of the financial statements	
Detailed statement of financial activities	15
Notes to the detailed statement of financial activities	16

Pie Factory Music

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 5 April 2018

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 5 April 2018.

Reference and administrative details

Registered charity name	Pie Factory Music
Charity registration number	1097561
Company registration number	04602033
Principal office and registered office	Ramsgate Youth Centre High Street St Lawrence Ramsgate CT11 0QG Kent

The trustees

	Mr B Spencer-Smith Ms C Clark Ms S Harris Mr J Lane
Company secretary	Mrs C O'Reilly
Independent examiner	T Percy FCCA Station Gates 3 Lloyd Road BROADSTAIRS Kent CT10 1HY

Structure, governance and management

See separate report.

Objectives and activities

See separate report.

Achievements and performance

See separate report.

Financial review

See separate report.

Pie Factory Music

Company Limited by Guarantee

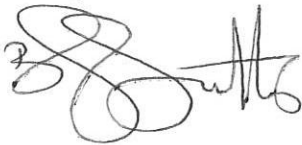
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 5 April 2018

Small company provisions

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

The trustees' annual report was approved on 13/11/18 and signed on behalf of the board of trustees by:

A handwritten signature in black ink, appearing to read 'B Spencer-Smith', written over a horizontal line.

Mr B Spencer-Smith
Trustee

Pie Factory Music

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Pie Factory Music

Year ended 5 April 2018

I report to the trustees on my examination of the financial statements of Pie Factory Music ('the charity') for the year ended 5 April 2018.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements 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 charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity'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 Association of Chartered Certified Accountants, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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 financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Pie Factory Music

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Pie Factory Music *(continued)*

Year ended 5 April 2018

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.



T. Percy FCCA
Independent Examiner

Station Gates
3 Lloyd Road
BROADSTAIRS
Kent
CT10 1HY

30 November 2018

Pie Factory Music

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 5 April 2018

		Unrestricted funds	2018 Restricted funds	Total funds	2017 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	21,949	250,003	271,952	214,037
Charitable activities	6	120	–	120	207
Total income		<u>22,069</u>	<u>250,003</u>	<u>272,072</u>	<u>214,244</u>
Expenditure					
Expenditure on charitable activities	7,8	9,605	243,347	252,952	174,488
Total expenditure		<u>9,605</u>	<u>243,347</u>	<u>252,952</u>	<u>174,488</u>
Net income and net movement in funds		<u>12,464</u>	<u>6,656</u>	<u>19,120</u>	<u>39,756</u>
Reconciliation of funds					
Transfers between funds		6,126	(6,126)	–	–
Total funds brought forward		<u>101,762</u>	<u>53,333</u>	<u>155,095</u>	<u>115,339</u>
Total funds carried forward		<u>120,352</u>	<u>53,863</u>	<u>174,215</u>	<u>155,095</u>

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

The notes on pages 7 to 13 form part of these financial statements.

Pie Factory Music

Company Limited by Guarantee

Statement of Financial Position

5 April 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible fixed assets	14	4,066	3,372
Current assets			
Debtors	15	24,423	21,454
Cash at bank and in hand		<u>152,346</u>	<u>132,849</u>
		176,769	154,303
Creditors: amounts falling due within one year	16	<u>6,620</u>	<u>2,580</u>
Net current assets		170,149	151,723
Total assets less current liabilities		<u>174,215</u>	<u>155,095</u>
Funds of the charity			
Restricted funds		53,863	53,333
Unrestricted funds		<u>120,352</u>	<u>101,762</u>
Total charity funds	17	<u>174,215</u>	<u>155,095</u>

For the year ending 5 April 2018 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements 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 financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on 13.11.18, and are signed on behalf of the board by:



Mr B Spencer-Smith
Trustee

The notes on pages 7 to 13 form part of these financial statements.

Pie Factory Music

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 5 April 2018

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Ramsgate Youth Centre, High Street, St Lawrence, Ramsgate, CT11 0QG, Kent.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Pie Factory Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2018

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Pie Factory Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2018

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment	-	25% on cost
Motor vehicles	-	25% reducing balance
Computer Equipment	-	25% on cost

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

4. Limited by guarantee

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Pie Factory Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2018

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Donations			
Donations	21,949	—	21,949
Grants			
Grants receivable	—	250,003	250,003
	<u>21,949</u>	<u>250,003</u>	<u>271,952</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Donations			
Donations	23,540	—	23,540
Grants			
Grants receivable	—	190,497	190,497
	<u>23,540</u>	<u>190,497</u>	<u>214,037</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Studio Income	<u>120</u>	<u>120</u>	<u>207</u>	<u>207</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Support costs	<u>9,605</u>	<u>243,347</u>	<u>252,952</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Support costs	<u>34,861</u>	<u>139,627</u>	<u>174,488</u>

Pie Factory Music

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 5 April 2018

8. Expenditure on charitable activities by activity type

	Support costs	Total funds 2018	Total fund 2017
	£	£	£
Activity	250,860	250,860	171,939
Governance costs	2,092	2,092	2,549
	<u>252,952</u>	<u>252,952</u>	<u>174,488</u>

9. Analysis of support costs

	Analysis of support costs activity 1	Total 2018	Total 2017
	£	£	£
Staff costs	153,113	153,113	97,353
Premises	11,148	11,148	18,316
General office	4,122	4,122	2,535
Support costs	78,836	78,836	51,244
	<u>247,219</u>	<u>247,219</u>	<u>169,448</u>

10. Net income

Net income is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation of tangible fixed assets	<u>2,645</u>	<u>2,730</u>

11. Independent examination fees

	2018	2017
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,740</u>	<u>1,680</u>

12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2018	2017
	£	£
Wages and salaries	<u>153,113</u>	<u>97,353</u>

The average head count of employees during the year was 14 (2017: 8). The average number of full-time equivalent employees during the year is analysed as follows:

	2018	2017
	No.	No.
Number of staff - Admin	<u>14</u>	<u>8</u>

Pie Factory Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2018

12. Staff costs *(continued)*

No employee received employee benefits of more than £60,000 during the year (2017: Nil).

13. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

14. Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost				
At 6 April 2017	83,391	19,564	17,548	120,503
Additions	373	—	2,966	3,339
At 5 April 2018	<u>83,764</u>	<u>19,564</u>	<u>20,514</u>	<u>123,842</u>
Depreciation				
At 6 April 2017	82,000	18,186	16,945	117,131
Charge for the year	1,021	344	1,280	2,645
At 5 April 2018	<u>83,021</u>	<u>18,530</u>	<u>18,225</u>	<u>119,776</u>
Carrying amount				
At 5 April 2018	<u>743</u>	<u>1,034</u>	<u>2,289</u>	<u>4,066</u>
At 5 April 2017	<u>1,391</u>	<u>1,378</u>	<u>603</u>	<u>3,372</u>

15. Debtors

	2018 £	2017 £
Trade debtors	23,404	21,454
Other debtors	1,019	—
	<u>24,423</u>	<u>21,454</u>

16. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	272	900
Other creditors	6,348	1,680
	<u>6,620</u>	<u>2,580</u>

Pie Factory Music

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2018

17. Analysis of charitable funds

Unrestricted funds

	At 6 April 2017	Income	Expenditure	Transfers	At 5 April 2018
	£	£	£	£	£
General funds	<u>101,762</u>	<u>22,069</u>	<u>(9,605)</u>	<u>6,126</u>	<u>120,352</u>

Restricted funds

	At 6 April 2017	Income	Expenditure	Transfers	At 5 April 2018
	£	£	£	£	£
Restricted Funds	<u>53,333</u>	<u>250,003</u>	<u>(243,347)</u>	<u>(6,126)</u>	<u>53,863</u>

18. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2018	Total Funds 2017
	£	£	£	£
Tangible fixed assets	4,066	–	4,066	3,372
Current assets	122,906	53,863	176,769	154,303
Creditors less than 1 year	<u>(6,620)</u>	<u>–</u>	<u>(6,620)</u>	<u>(2,580)</u>
Net assets	<u>120,352</u>	<u>53,863</u>	<u>174,215</u>	<u>155,095</u>

Pie Factory Music

Company Limited by Guarantee

Management Information

Year ended 5 April 2018

The following pages do not form part of the financial statements.

Pie Factory Music

Company Limited by Guarantee

Detailed Statement of Financial Activities

Year ended 5 April 2018

	2018 £	2017 £
Income and endowments		
Donations and legacies		
Donations	21,949	23,540
Grants receivable	250,003	190,497
	<u>271,952</u>	<u>214,037</u>
Charitable activities		
Studio Income	120	207
	<u>120</u>	<u>207</u>
Total income	<u>272,072</u>	<u>214,244</u>
Expenditure		
Expenditure on charitable activities		
Purchases	78,836	51,005
Wages and salaries	153,113	97,353
Rates and water	3,689	3,961
Light and heat	4,422	5,420
Repairs and maintenance	2,157	5,671
Insurance	1,787	3,214
Other motor/travel costs	88	50
Legal and professional fees	1,740	2,280
Telephone	1,961	1,271
Other office costs	2	14
Depreciation	2,645	2,730
Other interest payable and similar charges	352	269
Sundry	2,160	1,250
	<u>252,952</u>	<u>174,488</u>
Total expenditure	<u>252,952</u>	<u>174,488</u>
Net income	<u>19,120</u>	<u>39,756</u>

Pie Factory Music

Company Limited by Guarantee

Notes to the Detailed Statement of Financial Activities

Year ended 5 April 2018

	2018 £	2017 £
Expenditure on charitable activities		
Activity type 1		
Support costs		
Support charitable activity - project costs	78,836	51,005
Support charitable activity - wages/salaries	153,113	97,353
Support charitable activity - rates & water	3,689	3,961
Support charitable activity - light & heat	4,422	5,420
Support charitable activity - repairs & maintenance	2,157	5,671
Support charitable activity - insurance	1,787	3,214
Support charitable activity - other motor/travel costs	88	50
Support charitable activity - telephone	1,961	1,271
Support charitable activity - postage & stationery	2	14
Support charitable activity - depreciation	2,645	2,730
Support charitable activity - sundry	2,160	1,250
	<u>250,860</u>	<u>171,939</u>
Governance costs		
Governance costs - accountancy fees	1,740	1,740
Governance costs - legal and other professional fees	—	540
Governance costs - bank charges	352	269
	<u>2,092</u>	<u>2,549</u>
Expenditure on charitable activities	<u>252,952</u>	<u>174,488</u>
