

Charity Registration No. 328331

Company Registration No. 02394189 (England and Wales)

MAGIC ME
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

MAGIC ME

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Alison Harvie Denise Leander Aimee O'Malley Victoria Grace Benjamin Haber David Russell Philip Cave Hazel Gould Damian Hebron	(Appointed 23 January 2019) (Appointed 13 February 2019) (Appointed 13 February 2019) (Appointed 13 February 2019)
Secretary	Mark Bixter	
Charity number	328331	
Company number	02394189	
Principal address	18 Victoria Park Square Bethnal Green London E2 9PF	
Registered office	18 Victoria Park Square Bethnal Green London E2 9PF	
Independent examiner	Richard F Hopper Chinthurst 30 St Stephens Hill Launceston Cornwall PL15 8HN	
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	

MAGIC ME

CONTENTS

	Page
Trustees' report	1 - 7
Independent examiner's report	8
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11 - 22

MAGIC ME

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2019

The trustees present their report and financial statements for the year ended 31 March 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's constitution, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities (FRS102)".

Objectives and activities

The charity's objects are the improvement and advancement of the education of children and adults towards a better understanding of ageing and the needs of elderly people, and methods by which those needs may best be met.

Public benefit

Magic Me works for the benefit of the public both now and for future generations. Research shows that 1 in 3 babies born in the UK this year will live to be 100.

By bringing younger and older people together in shared creative activities we bring enjoyment, improved wellbeing and greater mutual understanding across generations. Longer term we support individuals and organisations to imagine different ways of growing older and design the future society we need to build for our ageing population. Our activities, exhibitions and performances challenge both participants and audiences to reconsider ageist expectations and stereotypes which can limit the aspirations and lives of younger and older people.

The trustees have referred to the Charity Commission's guidance on public benefit in reviewing the charity's aims and objectives and in planning its future actions.

Who used and benefitted from our activities?

Magic Me benefits people of all ages at many different levels: young and older participants enjoy new opportunities, learn skills and form new friendships; our partners (for example staff in care homes) gain new insights and form deeper and more rewarding relationships with those for whom they care; artists and creative practitioners develop new skills and expertise; and our volunteers gain skills in communicating with older people and form wider connections and social links within their communities.

Magic Me is based in Tower Hamlets, east London, however the activities we deliver and our influence benefit people and communities both locally and much more widely.

During 2018/19 Magic Me:

- * ran intergenerational activities in a total of nine London Boroughs, adding Brent and Lambeth to our existing seven areas: Tower Hamlets, Camden, Hammersmith & Fulham, Islington, Southwark, Waltham Forest, Westminster;
- * piloted project work in Southend and Cambridgeshire and developed new partnerships and funding to deliver future activity across Essex;
- * partnered with six junior and three secondary schools, eighteen care homes and extra care schemes for older people, two community centres, nine corporate volunteer partners
- * ran 156 *Cocktails in Care Homes* parties, 144 arts project sessions and 20 volunteer inductions;
- * benefited 1056 young and older project participants, together with 423 volunteers, a total of 1,479 people, up from 1,130 people in 2017/18 and 909 in 2016/17.

2018/19 was the second year in our 3-Year Strategic Plan developed by the Board and staff team. Through the Plan we aim to grow Magic Me's reach and impact, beyond our home base in Tower Hamlets, to serve other communities in outer east London and the east of England. Our aim is to share our proven and new models of intergenerational practice ever more widely, helping others across the UK to create connections and enrich lives through shared creative activity. We are doing this both through delivering activities ourselves and through influencing and supporting other organisations' work. By broadening our reach we also aim to increase the sustainability of Magic Me, building a broader base of partnerships and funding streams in more locations.

MAGIC ME

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2019

We have therefore combined delivering a programme of activity with planning, partnership building and fundraising. This development period was made possible by a major anonymous donation in early 2017 and, from January 2018, £100,000 support from the Players of the People's Postcode Lottery over two calendar years. The Director, Susan Langford and Programme Director, Kate Hodson, continued to be part of Change Creation, a two-year Arts Council England funded programme, which is offering us tailored support with this growth and the changes it requires.

We are committed to further extending our activity in the year ahead -- breaking down barriers between generations, tackling loneliness and isolation, and contributing directly to social cohesion and wellbeing.

Achievements and performance

Key achievements in our main areas of work included:

Developing and delivering intergenerational arts projects with schools

Arts & Ages in Tower Hamlets

In autumn 2018 we launched *Arts & Ages* our new three-year intergenerational arts programme nurturing long-term partnerships between 8 primary schools and 8 groups of older people across Tower Hamlets. Partnerships linking Halley Primary School with Cooper's Court and Clara Grant Primary School with Linc Centre piloted this new model, with further partners recruited for April 2019 onwards. *Arts & Ages* is supporting teachers, activities organisers and other staff to work together with Magic Me artists to grow skills and confidence in running intergenerational activities, enabling them to adopt this approach long-term within their organisations.

Women's Projects

Our annual women's projects, running for 14 years with Mulberry School for Girls and older women in east London, have enabled in-depth exploration of topics that are of particular interest to women. In 2018/19 the second year of *Decorum* continued the exploration of what 'good behaviour' means for women in the 21st Century. Our London group created films, showcased at the Women of the World Festival and Flourishing Lives at Tate Exchange. Then in Summer/Autumn 2018 we partnered with arts organisation Metal to take the project out of London for the first time. Intergenerational groups of women in Southend and Peterborough worked with professional artists to produce their own, unique films, screened in both locations to public audiences. In October a digital campaign showcasing all three groups reached an audience of over 13,000 people.

In Spring 2019 *In My Name* brought east London women together to explore the names that women give themselves and that others give them. The group created poetry and individual 'necklaces of declaration', then stage two performances to present their ideas and creative work for invited and public audiences. Four open workshops engaged further groups of women in the theme.

MAGIC ME

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2019

Activity tackling loneliness and isolation among older care home residents

Cocktails in Care Homes We continued to grow our highly successful *Cocktails in Care Homes* project, bringing young adults 18+ to share an early evening drink after work with care home residents. Older people had requested evening activities which are lacking in many care homes. By March 2019 the project was serving 14 care homes, across eight London Boroughs, with volunteers hosting monthly parties. We plan to grow to 18 homes in the current year and to research how to best grow *Cocktails* outside London.

Cocktails in Care Homes is of particular benefit to those residents who receive no other visitors or relish an opportunity to get dressed up and socialise with new people. Managers of care homes and care organisations recognise the lasting impact of *Cocktails*, which continues long after each party ends. Through the parties, staff and residents build stronger relationships, residents make friends and volunteers learn skills in communicating with people with dementia and feel more involved in their local neighbourhood.

As in 2017/18 we have asked care homes to contribute financially when they sign up for a year of parties, part of our plans to develop a sustainable model for growth. Even in these cash-strapped times, having seen the benefits to residents, care home managers have agreed to contribute, valuing this opportunity to keep residents connected with their wider community.

Growing East

Our second year of developing Magic Me's programme in outer east London and the east of England has resulted in new partnerships and activities. *Decorum* with Metal in Southend and Peterborough is described above. Other key projects were:

Quality Street a new two-year project in Leyton, LB Waltham Forest, funded by the L&Q Foundation, aiming to bring together three generations of residents to build a stronger community, around George Mitchell Primary School as an intergenerational hub. Introductory sessions got under way in December 2018 and three projects have involved 120 children and older adults from the School, Glebelands Retirement Home, Leyton Orient Walking Football Club and Albany Court Extra Care Scheme. A 'Meet the Street' festival event in June 2019 brought everyone together, with family, friends and neighbours, attracting new participants for activities in the second year and to join a steering group of local individuals and partners, to take *Quality Street* forward.

We secured further grant funding from Waltham Forest, as the London Borough of Culture 2019, to extend our work in the Borough with our new *Inside Out Festival*, linking care home residents and their young adult neighbours through creative work together, with Magic Me artists in November 2019. Staff time was also invested in growing a new four-year programme *Artists Residencies in Care Homes* starting in Autumn 2019, which will partner four leading arts companies with four care homes across Essex, supported by a major grant from Paul Hamlyn Foundation.

MAGIC ME

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 MARCH 2019*

Best practice development and sharing our expertise and knowledge

Magic Me is a learning organisation, keen to share expertise and experiences from our projects with a wide public and professional audience. For example this year our participants and staff: visited the Houses of Parliament in December 2018 contributing to a session of the All Party Parliamentary Group on Social Integration's enquiry into intergenerational relations and featured in the Wellcome Collection's 'Friday Late Spectacular -- Handle with Care'. Staff presented at conferences and workshops for diverse audiences including events for the Royal Society of Public Health, Family Arts Campaign, Irish in Britain and at Anglia Ruskin University.

Our Director, Susan Langford and Magic Me Associate Artist, Sue Mayo were invited by the British Council Korea to provide workshops and expertise for artists and community organisations in Seoul and Busan, keen to start their own intergenerational initiatives.

For more details

The development, activities and achievements of Magic Me during the year are further reviewed in our separate Annual Report. This will be available on-line at www.magicme.co.uk following our AGM in October 2019 and in printed format on request from our office, 020 3222 6064.

MAGIC ME

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2019

Financial Report

The financial transactions of the charity during the year and the position at the end of the year are set out in the attached accounts.

Financial Review Income during the year 2018/19 was £293,609 and Expenditure £388,381. This compares with £302,512 income and £338,126 expenditure in 2017/18.

During 2018/19 we invested £64,683 of designated funds on the development of new partnerships and project models, a Fundraising Coordinator post to develop new income streams and the implementation of our Digital Strategy. These funds were part of an unsolicited, anonymous donation of £200,000 given to us in December 2016 to be spent over the following three years. The remaining £23,037 of this donation will be invested in 2019.

We ended 2018/19 with £158,440 in hand, a reduction from £253,212 in March 2018. This is made up of the investment of the designated funds described above and the timing of the receipt of grant instalments -- some restricted funds were paid in March 2018 for the year ahead but slightly later in April 2019 this year.

Given the continuing decline of public funding and increasing demands on other charitable funding sources, we continue to work to diversify our range of sources of income. Magic Me receives no core public subsidy and we are enormously grateful for the very generous support received from numerous trusts and foundations, businesses, individual friends and supporters -- without which our work would not be possible.

In 2018/19 our work was supported by grants from: Players of the People's Postcode Lottery, Mercers' Charitable Trust, Aurum Charitable Trust, Headley Trust, Aldgate and Allhallows Foundation, London Borough of Tower Hamlets, The Henry Smith Charity, The ExPat Foundation, National Lottery via Arts Council England, Woodroffe Benton Foundation, Salters' Charitable Foundation, Masonic Charitable Foundation, The Haberdashers' Company, Lucas Tooth Trust, Hammersmith United Charities and Camden Giving.

- Individual and anonymous donations totalled more than £32,958 including one-off gifts, monthly donations, and on-line sponsored event fundraising by committed volunteers, together with our Big Give Christmas Challenge campaign for *Arts & Ages*.
- Project partners including: L&Q Foundation, Mulberry School for Girls, Metal and our *Cocktails in Care Homes* partners contributed financially or in kind to project costs.

Non-financial support enabled us to keep down costs.

- We recruited many more volunteers and students on course placements and together with corporate volunteers they gave 4,233 hours support.
- Other In kind support included: corporate volunteers from Schroders, the Bank of England, Mayer Brown, Clifford Chance, Google, Dropbox, Groupon, BNP Paribas and Salesforce some of whom also gave grants or donations, or hosted training events and meetings

Financial Management During the year the appointment of new accountants, Kreston Reeves, combined with our move to Xero online accounting software in 2017, has enabled us to streamline our financial management systems and processes. We are very grateful to Malcolm Green, of the Worshipful Company of Management Consultants, who worked pro-bono to design and build bespoke Excel templates to better log and sort data for our many fundraising activities and restricted funds.

Reserves policy

The trustees aim to keep a balance in free reserves equal to at least three months' core expenditure (staff, office rent, insurance etc.), so as to enable the charity to continue to operate in the short term in the event of unexpected delays in the receipt of income or unexpected expenditure or shortfall in funds.

MAGIC ME

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2019

We were able to increase the level of free reserves by £6,487 during 2018/19 and ended the year with reserve funds of £37,589 including a designation of £17,695 to cover unforeseen operating costs as listed in Note 19. Budgeted core expenditure for 2019/20, minus costs covered by restricted funds, is £204,000 making the reserves target £51,000.

Therefore, the present level of reserves available to Magic Me falls short of the target with further work to be done this year to increase it from, for example, earned income.

The trustees have reviewed during the year the major risks to which the charity is exposed. They have looked at existing risk and further control measures required and the process by which Trustees are kept up to date about these risks. These risks have been classified under the headings set out below, with some of the key actions taken to mitigate them.

Governance risk: to continue to ensure that: the trustees have the relevant skills, commitment and capacity to govern Magic Me to enable the charity to be the best that it can be, steadfastly focused on achieving its vision, mission and purpose, so as to transform the lives of the beneficiaries whom we serve.

Operational risk: to continue to ensure that: Policies and Procedures including those for Safeguarding of Children and Vulnerable Adults, Health & Safety and Equality and Diversity are in line with current best practice and implemented; appropriate systems for contracting, managing and supervising all staff and freelance artists and workers, and for working with volunteers are in operation including appropriate ongoing training and support around safeguarding; clear written agreements of roles and responsibilities are negotiated and signed with project partners.

Financial risk: to continue to ensure: good forward financial planning, fundraising and cashflow awareness; the maintaining of a suitable reserves policy aiming to build up a reserve of at least three months' running costs

Regulatory and external risk: to continue to ensure: best practice is followed regarding employment practices and the policies noted under operational risk; compliance with relevant legislation regarding charities and companies (which included the introduction of new policy and procedures relating to GDPR in May 2018); to remain alert to the changing context within the many sectors in which Magic Me operates.

Reputational risk: to continue to build on the charity's reputation for best practice and to develop good working relationships with partners, for example schools, care providers, funders.

MAGIC ME

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2019

Structure, governance and management

Magic Me is a company limited by guarantee (no. 2394189) formed on 12 June 1989 and is registered as a charity (no. 328331).

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Cynthia Edwards Wilson (Resigned 16 October 2018)

Alison Harvie

Denise Leander

Aimee O'Malley

Victoria Grace

Benjamin Haber

David Russell (Appointed 23 January 2019)

Philip Cave (Appointed 13 February 2019)

Hazel Gould (Appointed 13 February 2019)

Damian Hebron (Appointed 13 February 2019)

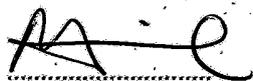
None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The charity is run by a board of directors/trustees which meets every three months. Through three sub-committees (Finance Audit and Risk, Fundraising and HR) the trustees also oversee key aspects of the charity's operations. The day-to-day management of the organisation is delegated to the Director who leads the delivery of activities and projects with a team of other employees, professional artists and numerous volunteers.

Asset cover for funds

The notes to the accounts set out the assets attributable to the various funds and a description of the trusts. These assets are sufficient to meet the charity's obligations on a fund-by-fund basis.

The trustees' report was approved by the Board of Trustees.



Alison Harvie

Trustee

Dated: 14/8/19

MAGIC ME

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MAGIC ME

I report to the trustees on my examination of the financial statements of Magic Me (the charity) for the year ended 31 March 2019.

Responsibilities and basis of report

As the trustees of the charity (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 financial statements of the charity 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 financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

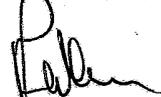
Independent examiner's statement

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 Institute of Chartered Accountants in England & Wales, 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 that in any material respect:

- 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).

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 financial statements to be reached.



Richard F Hopper

Chartered Accountant

Chinthurst
30 St Stephens Hill
Launceston
Cornwall
PL15 8HN

Dated: 22 August 2019

MAGIC ME

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<u>Income and endowments from:</u>					
Donations and grants	3	34,885	253,619	288,504	287,764
Other trading activities	4	40	-	40	156
Investments	5	888	-	888	106
Other income	6	4,177	-	4,177	14,486
Total income		<u>39,990</u>	<u>253,619</u>	<u>293,609</u>	<u>302,512</u>
<u>Expenditure on:</u>					
Raising funds	7	23,854	-	23,854	21,895
Charitable activities	8	74,332	290,195	364,527	316,231
Total resources expended		<u>98,186</u>	<u>290,195</u>	<u>388,381</u>	<u>338,126</u>
Net expenditure for the year/ Net movement in funds		(58,196)	(36,576)	(94,772)	(35,614)
Fund balances at 1 April 2018		<u>118,822</u>	<u>134,390</u>	<u>253,212</u>	<u>288,826</u>
Fund balances at 31 March 2019		<u><u>60,626</u></u>	<u><u>97,814</u></u>	<u><u>158,440</u></u>	<u><u>253,212</u></u>

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

All income and expenditure derive from continuing activities.

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

MAGIC ME

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	12		5,511		784
Current assets					
Debtors	14	14,759		14,061	
Cash at bank and in hand		181,531		251,841	
		<u>196,290</u>		<u>265,902</u>	
Creditors: amounts falling due within one year	15	<u>(43,361)</u>		<u>(13,474)</u>	
Net current assets			152,929		252,428
Total assets less current liabilities			<u>158,440</u>		<u>253,212</u>
Income funds					
Restricted funds	18		97,814		134,390
<u>Unrestricted funds</u>					
Designated funds	19	40,732		105,415	
General unrestricted funds		<u>19,894</u>		<u>13,407</u>	
			60,626		118,822
			<u>158,440</u>		<u>253,212</u>

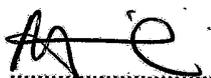
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2019.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

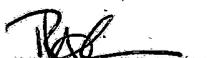
The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 16 August 2019



Alison Harvie
Trustee



Benjamin Haber
Trustee

Company Registration No. 02394189

MAGIC ME

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

1 Accounting policies

Charity information

Magic Me is a private company limited by guarantee incorporated in England and Wales. The registered office is 18 Victoria Park Square, Bethnal Green, London, E2 9PF.

1.1 Accounting convention

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

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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

1.4 Incoming resources

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

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

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

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Expenditure is charged in the accounts at the time when a liability to make payment is incurred.

MAGIC ME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

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

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

Fixtures, fittings & equipment	25% p.a. on cost
Computers	

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

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

Basic financial assets

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

MAGIC ME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Retirement benefits

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

2 Critical accounting estimates and judgements

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

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

MAGIC ME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

3 Donations and grants

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Donations and gifts	28,185	14,919	43,104	27,524
Grants income	6,700	238,700	245,400	260,240
	<u>34,885</u>	<u>253,619</u>	<u>288,504</u>	<u>287,764</u>
For the year ended 31 March 2018	<u>19,883</u>	<u>267,881</u>		<u>287,764</u>

The trustees acknowledge with thanks grant and donation income from many funders and supporters within the public, private and voluntary sectors, including the following of £1,000 or more:

£39,200 Players of the People's Postcode Lottery
£25,000 The Mercers' Charitable Trust
£20,000 Headley Trust
£20,000 Aldgate and Allhallows Foundation
£18,450 National Lottery via Arts Council England
£17,999 Anonymous donations
£15,480 London Borough of Tower Hamlets
£15,000 ExPat Foundation
£5,000 The Ironmongers' Company
£5,000 Woodroffe Benton Foundation
£5,000 Salters' Charitable Foundation
£5,000 Masonic Charitable Foundation
£5,000 The Haberdashers' Company
£5,000 The Goldsmiths' Company
£3,138 Clifford Chance Foundation
£3,050 Bank of England
£3,000 Lucas Tooth Trust
£3,000 Hammersmith United Charities
£2,400 Camden Giving
£1,261 Salesforce

We also thank the following project partners for their contributions:

£66,900 The L&Q Foundation
£2,000 Mulberry School for Girls
and our *Cocktails in Care Homes* care providers

and the 252 individuals who donated during the year a total of £14,959.

MAGIC ME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

4 Other trading activities

	Unrestricted funds	Total
	2019 £	2018 £
Sale of books etc.	40	156

5 Investments

	Unrestricted funds	Total
	2019 £	2018 £
Interest receivable	888	106

6 Other income

	Unrestricted funds	Total
	2019 £	2018 £
Other income	4,177	14,486

Other income comprises fees earned from the provision of training and consultancy services.

7 Raising funds

	Unrestricted funds	Total
	2019 £	2018 £
<u>Costs of generating grants and donations</u>		
Fundraising expenses	1,801	120
Staff costs	22,053	21,775
Costs of generating grants and donations	23,854	21,895
	<u>23,854</u>	<u>21,895</u>

MAGIC ME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

8 Charitable activities

	Inter- genera- tional activities £	Training and developmt activities £	Total 2019 £	Total 2018 £
Staff costs	184,489	25,254	209,743	177,937
Depreciation and impairment	2,176	156	2,332	939
Artists' fees, materials and other direct project costs	85,113	3,584	88,697	70,397
	<u>271,778</u>	<u>28,994</u>	<u>300,772</u>	<u>249,273</u>
Share of support costs (see note 9)	46,415	13,636	60,051	64,732
Share of governance costs (see note 9)	3,704	-	3,704	2,226
	<u>321,897</u>	<u>42,630</u>	<u>364,527</u>	<u>316,231</u>
Analysis by fund				
Unrestricted funds	31,702	42,630	74,332	
Restricted funds	290,195	-	290,195	
	<u>321,897</u>	<u>42,630</u>	<u>364,527</u>	
For the year ended 31 March 2018				
Unrestricted funds	57,413	64,954		122,367
Restricted funds	193,864	-		193,864
	<u>251,277</u>	<u>64,954</u>		<u>316,231</u>

MAGIC ME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

9 Support costs

	Support costs	Governance costs	2019	2018
	£	£	£	£
Staff costs	21,821	-	21,821	31,044
Premises and insurance costs etc.	22,599	-	22,599	17,706
Administrative expenses	15,631	-	15,631	15,982
Accountancy	-	984	984	2,226
Trustees expenses	-	817	817	-
Annual Report and AGM	-	1,903	1,903	-
	<u>60,051</u>	<u>3,704</u>	<u>63,755</u>	<u>66,958</u>
Analysed between Charitable activities	<u>60,051</u>	<u>3,704</u>	<u>63,755</u>	<u>66,958</u>

Governance costs includes payments to the independent examiner of £984 (2018- £900) for independent examination and accountancy fees.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, and none of them were reimbursed any expenses (2018- none were reimbursed).

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Project work	7	6
Administration	1	1
Fundraising	1	1
	<u>9</u>	<u>8</u>

Employment costs

	2019 £	2018 £
Salaries	231,695	212,484
Social security costs	18,439	16,684
Other pension costs	3,483	1,588
	<u>253,617</u>	<u>230,756</u>

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

MAGIC ME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

12 Tangible fixed assets

	Fixtures, fittings & equipment £	Computers £	Total £
Cost			
At 1 April 2018	1,282	9,118	10,400
Additions	-	7,059	7,059
Disposals	(109)	(1,836)	(1,945)
At 31 March 2019	<u>1,173</u>	<u>14,341</u>	<u>15,514</u>
Depreciation and impairment			
At 1 April 2018	1,282	8,334	9,616
Depreciation charged in the year	-	2,332	2,332
Eliminated in respect of disposals	(109)	(1,836)	(1,945)
At 31 March 2019	<u>1,173</u>	<u>8,830</u>	<u>10,003</u>
Carrying amount			
At 31 March 2019	<u>-</u>	<u>5,511</u>	<u>5,511</u>
At 31 March 2018	<u>-</u>	<u>784</u>	<u>784</u>

13 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>11,637</u>	<u>10,415</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>8,168</u>	<u>13,474</u>

14 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	10,179	5,556
Other debtors	1,458	4,859
Prepayments and accrued income	3,122	3,646
	<u>14,759</u>	<u>14,061</u>

MAGIC ME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

15 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Other taxation and social security		5,793	-
Deferred income	16	29,400	-
Other creditors		3,644	8,827
Accruals and deferred income		4,524	4,647
		<u>43,361</u>	<u>13,474</u>

16 Deferred income

	2019 £	2018 £
Other deferred income	<u>29,400</u>	<u>-</u>

17 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £3,483 (2018 - £1,588).

MAGIC ME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

18 Restricted funds

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

	Movement in funds			
	Balance at 1 April 2018	Incoming resources	Resources expended	Balance at 31 March 2019
	£	£	£	£
Cocktails in Care Homes	58,993	66,171	(101,150)	24,014
Cocktails Website	1,684	-	(1,684)	-
Art and Ages	-	80,386	(54,340)	26,046
Decorum	12,219	24,950	(37,169)	-
In My Name	-	17,462	(14,597)	2,865
Players of the Peoples Postcode Lottery	53,089	9,800	(58,774)	4,115
Quality Street	-	66,900	(34,531)	32,369
Essex	5,000	-	-	5,000
Youth projects	3,405	-	-	3,405
Other projects	-	11,950	(11,950)	-
	<u>134,390</u>	<u>277,619</u>	<u>(314,195)</u>	<u>97,814</u>

MAGIC ME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

18 Restricted funds

(Continued)

The restricted funds are held for the following purposes:

Cocktails in Care Homes

Programme of monthly evening parties for older residents of care homes with trained adult volunteers, providing friendship, fun and new relationships.

Cocktails Website

Continuing development of Cocktails in Care Homes website to manage volunteer involvement.

Arts & Ages

A three-year intergenerational arts programme nurturing partnerships between 8 primary schools and 8 groups of older people in Tower Hamlets.

Decorum

One-year project working with women across generations from across London, Peterborough and Southend to create digital art work and live performances exploring decorum for 21st century women.

In My Name

A group of students from Mulberry School for Girls and older women from the local community exploring themes around names and naming.

Players of the People's Postcode Lottery

To support Magic Me's strategic plan to grow our reach, impact and supporter base beyond the London Borough of Tower Hamlets to serve outer East London and the East of England.

Quality Street

A two-year programme funded by the L&Q Foundation bringing three generations of residents together in Leyton.

Guardian Youth

To support Magic Me's work, specifically benefitting young people in the UK.

Essex Care Homes

To support Magic Me's work in care homes Essex.

MAGIC ME

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2018 £	Utilised as designated £	Balance at 31 March 2019 £
Development	87,720	(64,683)	23,037
Staff cover	8,000	-	8,000
Training	2,695	-	2,695
Office renovations	4,000	-	4,000
Equipment	1,000	-	1,000
Safeguarding	2,000	-	2,000
	<u>105,415</u>	<u>(64,683)</u>	<u>40,732</u>

20 Analysis of net assets between funds

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Fund balances at 31 March 2019 are represented by:				
Tangible assets	5,511	-	5,511	784
Current assets/(liabilities)	55,115	97,814	152,929	252,428
	<u>60,626</u>	<u>97,814</u>	<u>158,440</u>	<u>253,212</u>

21 Related party transactions

There were no disclosable related party transactions during the year (2018 - none).