

Registered number: 09553052
Charity number: 1165933

CHINEKE FOUNDATION
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

LUBBOCK FINE
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB

CHINEKE FOUNDATION
(A Company Limited by Guarantee)

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CHINEKE FOUNDATION
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS

FOR THE YEAR ENDED 31 MARCH 2019

| | |
|--|--|
| Trustees | C L Allen D Henry Lepart FCA D Konotey-Ahulu C A Nwanoku OBE J Basnage K Tharp CBE K Thiagarajan |
| Company registered number | 09553052 |
| Charity registered number | 1165933 |
| Registered office | 5 Talbot Road St Margarets Isleworth TW7 7HG |
| Artistic and executive director | C A Nwanoku OBE |
| Independent auditors | Lubbock Fine Chartered Accountants & Statutory Auditors Paternoster House 65 St Paul's Churchyard London EC4M 8AB |
| Bankers | HSBC Canada Place Canary Wharf London E14 5AH |
| Pro bono legal advisor | Hogan Lovells International LLP Atlantic House Holborn Viaduct London EC1A 2FG |

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The Trustees (who are also directors of the Chineke Foundation ("Charitable Company" or "Chineke") for the purposes of company law), present their annual report, together with the audited financial statements for the year ended 31 March 2019. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

OBJECTIVES AND ACTIVITIES

The main objectives of the Chineke Foundation are:

- to promote diversity in classical music and the performing arts for the public benefit, particularly through the advancement and promotion of Black and Minority Ethnic (BME) classical musicians aged 7 to 26 and residing in the UK and Europe;
- to advance the arts and culture for the public benefit by supporting and developing the musical careers of BME classical musicians, aged 7 to 26, living in the UK and Europe, particularly but not exclusively through annual competitions, and mentoring programmes;
- to advance the arts and culture for the public benefit by supporting and providing career opportunities to BME classical musicians aged 7 to 65 living in the UK and Europe, particularly but not exclusively through the establishment of junior and professional orchestras;
- to promote education in classical music for the public benefit in the UK and Europe by providing, particularly but not exclusively, educational programmes and scholarships for BME classical musicians, by campaigning for the reintroduction of music into the school curriculum.

The Trustees confirm that they have complied with the duty in section 17 of the Charities act 2011 to have due regard to the Charities Commission's general guidance on public benefit. The Chineke Foundation is fully committed not only to fostering diversity in classical music in the UK in Europe, but of making music of the highest quality and reaching the widest possible audience on a national and international basis.

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

TRUSTEES

The following Trustees served the charity during the year:

C L Allen
D Henry Lepart FCA
D Konotey–Ahulu
C A Nowanoku OBE
J Basnage
K Tharp CBE
K Thiagarajan

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Chineke Foundation is a charitable company limited by guarantee and has no share capital. In the event of a winding up, while a Member or within one year of ceasing to be a Member, the Member's liability is limited to £10. The Company was incorporated on 21 April 2015 and is governed by its Memorandum and Articles of Association. It subsequently registered as a charity on 8 March 2016.

The Board of Trustees is responsible for the overall governance of the Charitable Company. With the exception of the Founder, Artistic & Executive Director, Chi-chi Nwanoku OBE, the Trustees are not performing members of its orchestras. Trustees may be appointed at the discretion, and with the approval, of the existing Trustees. New Trustees are briefed of their duties from existing Trustees.

The Chineke Foundation is currently responsible for two main ensembles: The Chineke Orchestra and Chineke Junior Orchestra, with the former being a fully professional ensemble of adult musicians, and the latter a Junior Orchestra consisting of players below the age of 22 and a varying number of adult mentors from the Chineke Orchestra. All players in the Chineke Orchestra are paid on a freelance concert-by-concert basis and none is a permanent employee of the Foundation.

The word, Chineke! is Igbo. The Igbo people, from the Southeast of Nigeria believe that everyone has their own Chi (their god, or Guardian), it being their unique and individual spirit guardian, that guides you from your cradle to your coffin. Neke is the 'almighty creator'. Together, Chineke is a glorious exclamation that celebrates the spirit of all creation in the world and everything good in it - including the rain, the trees, the grass, and all 'diverse' aspects.

When promoting its orchestras, the Chineke Foundation has a branding style which includes an exclamation mark every time the word "Chineke!" is used. Thus, in all publicity and on the website, the organisation is referred to as the "Chineke! Foundation", "Chineke! Orchestra" and "Chineke! Junior Orchestra". However, for formal documents, including this Report and Accounts and in our bank account, the exclamation mark is not allowable and is omitted.

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Chineke also has a distinctive logo which was designed by the illustrator, Hannah Firmin. The logo (see below) describes the ideal of the Chineke Foundation and depicts two creatures joined at the point of nourishment. It is based on the Ghanaian Adinkra symbol for 'Unity and Diversity', and represents the concept that, although we are all individuals, we each derive life and sustenance from a common source.



The administration of the Foundation during the year was undertaken by the full time Artistic & Executive Director and three part-time consultant administrators: a General Manager, a Projects Manager and a Learning & Participation Manager who all report to the Board of Trustees. In addition, a part-time volunteer Administrative Assistant was taken on by the Foundation for a short period in the summer of 2018.

ACHIEVEMENTS AND PERFORMANCE

The Chineke Foundation enjoyed further success during its fourth full year of operations, continuing to establish itself as an organisation that strives for, and achieves, the highest artistic standards.

Alongside several important concerts by the Chineke Orchestra, the Chineke Chamber Ensemble which comprises the principal players of the Chineke! Orchestra gave many concerts at festivals up and down the country. This emphasis on smaller-scale events has resulted in a drop-in turnover in 2018-19 of £564,945 when compared to the £639,895 in 2017-18.

The year began with the Chineke Orchestra performing the re-opening concert at Southbank Centre's Queen Elizabeth Hall on Monday 9 April 2018. The QEH had been closed for refurbishment since September 2015 (indeed, Chineke's inaugural concert on 13 September 2015 was the final concert at the QEH before its closure). Chineke was pleased and honoured to have been invited by Southbank Centre to have given this re-opening concert. Reviews included "*If it is going to play as well as this, Chineke! sounds ready to start writing the next chapter at the QEH.*" (The Financial Times, April 2018).

Chineke continued its close association with St George's Concert Hall in Bristol giving two concerts during the year including a repeat of the QEH re-opening concert in April 2018 and a chamber event in November 2018. Linked Learning & Participation projects in Bristol saw Chineke musicians leading performances and creative workshops in schools in Bristol.

Other important performances by the Chineke Orchestra were at the Barbican Centre in London on Sunday 13 May 2018 when the Orchestra played the soundtrack with a showing of the film *Waltz with Bashir* by Max Richter. The Orchestra was back at the QEH on Saturday 21 July 2018 as part of the "Africa Utopian" Festival performing a jazz-inspired programme conducted by Wayne Marshall and with Stewart Goodyear as piano soloist in Gershwin's *Rhapsody in Blue*.

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

The Chineke Chamber Ensemble performed in major venues: Wigmore Hall in London in June, the Cheltenham and Ryedale Festivals in July, Tonbridge Music Club in October, the Wimbledon and Cambridge Festivals in November, and a concert in Chatham in February at the invitation of the University of Kent. The year also saw several invitations from corporate businesses for small groups from Chineke to perform at private events. This included concerts for law firms Hogan Lovells, Latham & Watkins, and Skadden Arps, for whom the Chineke Junior Orchestra performed at Kensington Palace in October.

Abroad, the Chineke Orchestra performed at the opening of the annual conference of the World Opera Forum in Madrid in April. The theme of the conference was “diversity in the arts” and the Orchestra was pleased to have been chosen as an ideal representative of diversity in action. In February the Chineke Chamber Ensemble – a septet on this occasion – gave two concerts at the Africa Center in New York and a live Facebook performance for a Radio Station in New York, as well as a concert for a group of potential American supporters at a private house in Virginia. The purpose of these concerts in America was to raise awareness of, and funds for, Chineke’s planned tour of the USA in April 2020 (see “Plans for Future Periods” below)

Chineke continued its commitment to performing works by composers of black minority ethnic (BME) heritage. Our programmes included works by composers from the past: Joseph Boulogne (1745-1799), Samuel Coleridge-Taylor (1875-1912) and Florence Price (1887-1953), and performances of new works by living BME composers: Stewart Goodyear, Daniel Kidane, Julian Joseph and Errollyn Wallen, the last three of whom wrote new works which were premiered by Chineke during the year.

The year also saw the release of two important recordings of new music: Stewart Goodyear’s “Callaloo – a Caribbean Suite for Piano and Orchestra” which Chineke subsequently toured to great acclaim in the summer of 2019; and a collection of new works by six living BME composers to be released later in 2019 on the NMC Recordings label.

Chineke’s Learning & Participation programme continued to make an impact across the country with projects in Bristol, Gloucester and elsewhere.

The Chineke Junior Orchestra continued to flourish with concerts at the QEH in July 2018 as part of Southbank’s Africa Utopia Festival, a performance for Skadden Arps at Kensington Palace, a concert at Eltham Palace as part of the festival there, and participation in Southbank’s “Imagine” festival for young people in February 2019.

Managerially, Chineke’s consultant Artistic & Executive Director, General Manager, Projects Manager and Learning & Participation Manager remained unchanged. This management team, together with a focused and dedicated board of trustees, has led to a strengthening of the organisation with tight controls over all aspects of planning, including deciding on repertoire for programmes, scheduling, budgeting, and monitoring of financial forecasts.

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

FINANCIAL REVIEW

The year saw a drop-in turnover compared to the previous year to £564,945. A loss of £17,448 was recorded in the year reducing reserves to £75,094. Whilst the deficit in the year is disappointing, the organisation's reserves remain positive and projections for the 2019-20 financial year are for a surplus which will restore the reserves to their former level.

Many individuals and organisations supported Chineke during the year including Arts Council England, Cockayne – The London Community Fund, the Foyle Foundation, Grocers Company, ICE Futures, The Linbury Trust, the Performing Right Society and RVW Trust, to all of whom the Chineke Foundation is most grateful.

With an accumulated surplus of £75,094, made up wholly of unrestricted funds, and of which £74,618 are considered to be free reserves after deducting reserves tied up in fixed assets carried forward into 2019-20, and a budgeted surplus expected in 2019-20 the Foundation is confident of achieving its reserves target of £100,000 by 31 March 2020. However, the Trustees are acutely aware that, in these still-early years of operation, much more needs to be done in the ensuing years if Chineke is to increase its reserves in order, not only to support running costs for a 6-month period but also to enable the Orchestra to invest in artistically-desirable, yet financially loss-making projects. Looking ahead, the trustees are determined to avoid any significant loss-making ventures and keep the Foundation in surplus.

During this financial year, the Foundation did not take on any full-time, permanent members of staff, either in its orchestras or management, and so is not liable for the payment of any employee salary, pension or other benefits beyond that agreed by the Trustees on a project-by project basis.

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

PLANS FOR FUTURE PERIODS

2019-20 and beyond will see a significant expansion in the work of Chineke. The Chineke Orchestra has had its busiest summer yet in 2019 with concerts at the QEH including commemorating the first "Stephen Lawrence Day" on 22 April and as part of the Performing Rights Society's "New Music Biennial 2019" project in July. Visits to major festivals and local authority series include Basingsstoke, Bath, Brighton, Bury St Edmunds, Hull and Manchester in the summer of 2019, and a major European tour will take place in November 2019. A specific aim over the coming years is for Chineke to establish a series of close relations with towns and cities including Bristol, Croydon, Hastings, Marble Hill, Warwick and Woolwich, where Chineke plans to move its head office in the summer of 2020. Chineke's "Associate Orchestra" status at Southbank Centre is of great importance and we will build on this relationship over the coming years.

In April 2020, there are plans to tour to the USA with concerts and community work in Santa Barbara, LA, San Francisco, Washington DC, Worcester MA, Ann Arbor MI, and Ottawa in Canada.

The Junior Orchestra will continue to perform together at the QEH coinciding wherever possible with Chineke Orchestra performances as was the case in April 2019 and will be in September 2019 and February 2020. Similarly, the Learning & Participation programme will continue to grow with return visits to Bristol and projects in Birmingham and Manchester linked to Chineke Orchestra concerts in those cities.

In July 2019 Arts Council England commissioned an organisational review from the consultants Bonnar Keenlyside. Among the recommendations of the review was the suggestion that the Chineke Board (currently seven in number) should be increased. Chineke regards this as a priority over the coming months. The Chineke Management team has also expanded and will continue to do so, subject to funding being secured. A new Marketing & PR Officer was appointed in June 2019 and Chineke plans to appoint its first Development Manager in January 2020. This appointment would be possible if Chineke is successful in its application to ACE for an "Elevate" grant of £100,000 (£50k in 2020 and £50k in 2021), the result of which will be known in December 2019.

To fund future activities, the management team has been instructed to continue to apply for grants from grant-making organisations whose policies and remit overlap with those of the Chineke Foundation. In addition, the Trustees are aware of the need to secure one or more corporate sponsors and will make this a priority of the coming financial year. The organisation will continue to develop its 'Friends' programme, reflecting the important role individual donors have played in its first years of operation.

ASSESSMENT OF MAJOR RISKS

The Trustees have considered the significant risks to which the Chineke Foundation is exposed and have established appropriate procedures to mitigate the impact of those risks. Major areas of risk relate to factors that may affect the financial success of the orchestra including the impact of global economies and its effect on box office income, local authority funding and income from trusts, foundations, individuals and other sponsors. The impact of the UK departure from the European Union is being scrutinised and the effects that this may have on the ability of the orchestra to tour in continental Europe are being closely considered. We also remain in close consultation with Arts Council England who have supported Chineke since its founding in 2015 and continue to do so as the organisation continues to develop and consolidate as we enter our fifth year of operations.

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Chineke Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

CHINEKE FOUNDATION
(A Company Limited by Guarantee)

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The auditors, Lubbock Fine, have indicated their willingness to accept re-appointment under section 487(2) of the Companies Act 2006 and a resolution to reappoint them will be proposed at the Annual General Meeting

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees, on 20/12/19 2019 and signed on their behalf by:


D Henry Lepart FCA

Trustee


C A Nwanoku OBE

Trustee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHINEKE FOUNDATION

FOR THE YEAR ENDED 31 MARCH 2019

Opinion

We have audited the financial statements of Chineke Foundation (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHINEKE FOUNDATION (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHINEKE FOUNDATION (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



David Chandra (Senior Statutory Auditor)
for and on behalf of
Lubbock Fine
Chartered Accountants & Statutory Auditors
Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB

Date: 23 December 2019

CHINEKE FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019

| | Note | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|------------------------------------|-------------|--|--|---------------------------------------|---------------------------------------|
| Income from: | | | | | |
| Donations and legacies | 2 | 89,284 | 181,172 | 270,456 | 250,206 |
| Charitable activities | 4 | 242,892 | - | 242,892 | 322,825 |
| Other income | 5 | 51,597 | - | 51,597 | 66,864 |
| Total income | | 383,773 | 181,172 | 564,945 | 639,895 |
| Expenditure on: | | | | | |
| Raising funds | | 1,130 | - | 1,130 | 937 |
| Charitable activities | 6 | 398,091 | 183,172 | 581,263 | 574,451 |
| Total expenditure | | 399,221 | 183,172 | 582,393 | 575,388 |
| Net expenditure | | (15,448) | (2,000) | (17,448) | 64,507 |
| Transfers between funds | 12 | (2,000) | 2,000 | - | - |
| Net movement in funds | | (17,448) | - | (17,448) | 64,507 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 92,542 | - | 92,542 | 28,035 |
| Net movement in funds | | (17,448) | - | (17,448) | 64,507 |
| Total funds carried forward | | 75,094 | - | 75,094 | 92,542 |

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

The notes on pages 16 to 27 form part of these financial statements.

BALANCE SHEET

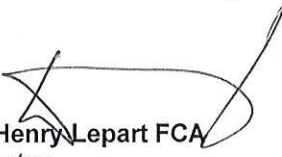
FOR THE YEAR ENDED 31 MARCH 2019

| | Note | 2019 £ | 2018 £ |
|--|------|----------------|----------------|
| Fixed assets | | | |
| Tangible assets | 9 | 476 | 833 |
| Current assets | | | |
| Debtors | 10 | 72,048 | 103,162 |
| Cash at bank and in hand | | 54,614 | 36,663 |
| | | <u>126,662</u> | <u>139,825</u> |
| Creditors: amounts falling due within one year | 11 | (52,044) | (48,116) |
| Net current assets | | <u>74,618</u> | <u>91,709</u> |
| Total assets less current liabilities | | <u>75,094</u> | <u>92,542</u> |
| Total net assets | | <u>75,094</u> | <u>92,542</u> |
| Charity funds | | | |
| Unrestricted funds | 12 | 75,094 | 92,542 |
| Total funds | | <u>75,094</u> | <u>92,542</u> |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees on 20/12/19 and signed on their behalf by:


D Henry Lepart FCA
Trustee


C A Nwanoku OBE
Trustee

The notes on pages 16 to 27 form part of these financial statements.

CHINEKE FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

| | Note | 2019 £ | 2018 £ |
|---|-------------|-------------------|-------------------|
| Cash flows from operating activities | | | |
| Net cash generated from/ (used in) operating activities | 14 | 17,951 | (512) |
| | | <hr/> | <hr/> |
| Change in cash and cash equivalents in the year | | 17,951 | (512) |
| Cash and cash equivalents at the beginning of the year | | 36,663 | 37,175 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at the end of the year | 15 | 54,614 | 36,663 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 16 to 27 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

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

Chineke Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Going Concern

The charitable company is mainly reliant upon donations and grant income to raise revenue to meet future expenditure. The Trustees consider that it is appropriate to prepare the financial statements on a going concern basis. This assumes that the charitable company will be successful in its fundraising activities. The financial statements do not include any adjustments that would result if insufficient funds are raised.

1.3 Company Status

The Charitable company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Charitable company being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charitable company.

The registered office address and principal place of business is 5 Talbot Road, St Margarets, Isleworth, England, TW7 7HG.

1.4 Income

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services and facilities, including gifts in kind, are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Donations received with imposed restrictions are classified as restricted funds.

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with. Where grants awarded for specific concerts or events are received in advance of the performance, they are deferred so that concert and event costs align with related income.

Concert and event income is recognised in the period in which the performance takes place.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements and are included in support costs.

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|------------------|---------------------|
| Office equipment | - 25% straight line |
|------------------|---------------------|

1.8 Debtors

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

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

1.10 Creditors and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

Trade and other creditors are recognised at the settlement amount after any trade discounts received. Accruals are value based on the estimated amount to be paid.

1.11 Financial instruments

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

1.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.13 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account

CHINEKE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

2. Income from donations and grants

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|------------------------|--|--|---------------------------------------|---------------------------------------|
| Donations and gift aid | 41,617 | 54,172 | 95,789 | 50,169 |
| Grant income | 3,686 | 97,000 | 100,686 | 125,967 |
| Arts Council England | - | 30,000 | 30,000 | 55,000 |
| Gifts in Kind | 43,981 | - | 43,981 | 19,070 |
| Total 2019 | 89,284 | 181,172 | 270,456 | 250,206 |
| Total 2018 | 52,539 | 197,667 | 250,206 | |

3. Grant Income

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|---|--|--|---------------------------------------|---------------------------------------|
| The Sphinx Organisation | - | - | - | 21,868 |
| The Linbury Trust | - | 30,000 | 30,000 | 30,000 |
| Oak Foundation | 3,686 | - | 3,686 | 3,789 |
| PRS Foundation | - | 5,000 | 5,000 | 15,000 |
| Garfield Weston Foundation | - | - | - | 15,100 |
| The Ernest Hecht Webber Foundation | - | - | - | 5,000 |
| Andrew Lloyd Webber Foundation | - | 10,000 | 10,000 | 5,000 |
| Foyle Foundation | - | 25,000 | 25,000 | 25,000 |
| The London Community Foundation and Cockayne - Grants for the Arts | - | 15,000 | 15,000 | - |
| ICE Futures Charitable Trust | - | 5,000 | 5,000 | - |
| The Wonderful Company of Grocers | - | 6,000 | 6,000 | - |
| RVW Trust | - | 1,000 | 1,000 | - |
| Other grants | - | - | - | 5,210 |
| | 3,686 | 97,000 | 100,686 | 125,967 |
| Total 2018 | 1,700 | 124,267 | 125,967 | |

CHINEKE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

4. Income from charitable activities

| | Unrestricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|----------|--|---------------------------------------|---------------------------------------|
| Concerts | 242,892 | 242,892 | 322,825 |

5. Other incoming resources

| | Unrestricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|----------------------|--|---------------------------------------|---------------------------------------|
| Orchestra Tax relief | 51,597 | 51,597 | 66,864 |

6. Analysis of expenditure by activities

| | Activities undertaken directly 2019 £ | Support costs 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|------------------------------------|--|---|---------------------------------------|---------------------------------------|
| Concerts | 516,786 | 47,220 | 564,006 | 574,451 |
| Learning and participation project | 16,232 | 1,025 | 17,257 | - |
| Total 2019 | 533,018 | 48,245 | 581,263 | 574,451 |
| Total 2018 | 539,878 | 34,573 | 574,451 | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

6. Analysis of expenditure by activities (continued)

Analysis of direct costs

| | Concerts 2019 £ | Learning and participation project 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|--|-----------------------|---|-----------------------------|-----------------------------|
| Players fees | 347,714 | 5,044 | 352,758 | 417,441 |
| Music purchase or hire | 28,936 | - | 28,936 | 15,413 |
| Production marketing | 4,325 | - | 4,325 | 2,747 |
| Management and artistic consultancy fees | 111,908 | 10,752 | 122,660 | 86,314 |
| Hall rental and marketing | 23,903 | 436 | 24,339 | 17,963 |
| Total 2019 | 516,786 | 16,232 | 533,018 | 539,878 |
| Total 2018 | 539,878 | - | 539,878 | |

Included in Hall rental and marketing is a gift in kind totalling £17,250 (2018: £15,000) for use of hall space.

Analysis of support costs

| | Concerts 2019 £ | Learning and participation project 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|--|-----------------------|---|-----------------------------|-----------------------------|
| Advertising & promotional material | 3,090 | 163 | 3,253 | 3,609 |
| Sundry | 2,556 | 135 | 2,691 | 4,422 |
| Office expenses | 3,644 | 192 | 3,836 | 6,082 |
| Accountancy | 301 | 16 | 317 | 618 |
| Subscriptions | 705 | - | 705 | 515 |
| Auditors remuneration - Audit (governance) | 6,982 | 368 | 7,350 | 7,350 |
| Auditors remuneration - Other (governance) | 2,517 | 133 | 2,650 | 6,850 |
| Depreciation | 339 | 18 | 357 | 357 |
| Professional fees | 27,086 | - | 27,086 | 4,770 |
| Total 2019 | 47,220 | 1,025 | 48,245 | 34,573 |
| Total 2018 | 34,573 | - | 34,573 | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

6. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

Included in professional fees is a gift in kind totalling £26,731 (2018: £4,070) relating to legal services.

7. Key management personnel remuneration

The key management personnel of the charity comprise the Artistic Director, General Manager and Projects Manager whose fees totalled £84,000 for the year (2018 - £80,536).

8. Trustees' remuneration and expenses

The following payments were made to C A Nwanoku OBE in the year. These payments were made in respect of services provided to the Foundation, in accordance with the governing document:

| | 2019 | 2018 |
|---------------------------|---------------|---------------|
| | £ | £ |
| Artistic consultancy fees | 42,000 | 32,500 |
| Expenses reimbursed | 619 | - |
| Player fees | 14,934 | 10,400 |
| | <u>57,553</u> | <u>42,900</u> |

Apart from the above transactions, no other trustees received any remuneration, benefit in kind or reimbursement of expenses

9. Tangible fixed assets

| | Office equipment £ |
|---------------------|-----------------------------------|
| Cost | |
| At 1 April 2018 | 1,428 |
| At 31 March 2019 | <u>1,428</u> |
| Depreciation | |
| At 1 April 2018 | 595 |
| Charge for the year | 357 |
| At 31 March 2019 | <u>952</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

9. Tangible fixed assets (continued)

| | Office equipment £ |
|-----------------------|-----------------------------------|
| Net book value | |
| At 31 March 2019 | 476 |
| At 31 March 2018 | 833 |

10. Debtors

| | 2019 £ | 2018 £ |
|--------------------------------|-------------------|-------------------|
| Due within one year | | |
| Trade debtors | 7,311 | 7,692 |
| Other debtors | 55,712 | 71,210 |
| Prepayments and accrued income | 9,025 | 24,260 |
| | <u>72,048</u> | <u>103,162</u> |

11. Creditors: Amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------|-------------------|-------------------|
| Accruals and deferred income | 52,044 | 48,116 |

Included in accruals and deferred income is deferred income of £42,142 (2018 - £36,923) that was received in 2018/19 but relates to concerts and events taking place in 2019/20 and has therefore been deferred. The 2018 deferred income balance of £36,923 was released in the current year and is included in income.

CHINEKE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

12. Statement of funds

Statement of funds - current year

| | Balance at 1 April 2018 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 March 2019 £ |
|----------------------------|---------------------------------|-------------|------------------|--------------------------|-------------------------------------|
| Unrestricted funds | | | | | |
| General Funds | 92,542 | 383,773 | (399,221) | (2,000) | 75,094 |
| Restricted funds | | | | | |
| Arts Council Grants | - | 30,000 | (30,000) | - | - |
| Management Team Support | - | 55,000 | (55,000) | - | - |
| Learning and Participation | - | 16,000 | (16,000) | - | - |
| Concerts | - | 26,000 | (26,000) | - | - |
| CD Recording | - | 54,172 | (56,172) | 2,000 | - |
| | - | 181,172 | (183,172) | 2,000 | - |
| Total of funds | 92,542 | 564,945 | (582,393) | - | 75,094 |

Statement of funds - prior year

| | Balance at 1 April 2017 £ | Income £ | Expenditure £ | Balance at 31 March 2018 £ |
|-----------------------------|---------------------------------|-------------|------------------|-------------------------------------|
| Unrestricted funds | | | | |
| General Funds | 12,053 | 445,628 | (365,139) | 92,542 |
| Restricted funds | | | | |
| Arts Council Grants | - | 55,000 | (55,000) | - |
| Management Team Support | - | 71,000 | (71,000) | - |
| Learning and Participation | - | 8,889 | (8,889) | - |
| Concerts | - | 24,003 | (24,003) | - |
| Royal Festival Hall Concert | - | 32,865 | (32,865) | - |
| Equipment and music scores | 982 | 2,510 | (3,492) | - |
| Orchestra support staff | 15,000 | - | (15,000) | - |
| | 15,982 | 194,267 | (210,249) | - |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

12. Statement of funds (continued)

Statement of funds - prior year (continued)

| | Balance at 1 April 2017 £ | Income £ | Expenditure £ | Balance at 31 March 2018 £ |
|-----------------------|---------------------------------|-------------|------------------|-------------------------------------|
| Total of funds | 28,035 | 639,895 | (575,388) | 92,542 |

Unrestricted reserves have been used to fund additional expenditure on projects funded by restricted reserves which have not been covered by restricted income.

Arts Council Grants

Relates to grants received from Arts Council England to support a number of Chineke orchestra performances during the year.

Management Team Support

Relates to various grants received to support the management team to aid the expansion of the Orchestra during its fourth year of operations.

Learning and Participation

Relates to income for the development of the Chineke! Junior orchestra and to support the creative music projects carried out in schools.

Concerts

Relates to a number of grants received for concerts carried out during the year.

Royal Festival Hall Concert

Relates to a gift in kind for hall space rental costs for a concert held at the Royal Festival Hall and additional income received to support the concert.

CD Recording

Relates to a donation received in order to fund a recording of a CD.

Equipment and music scores

Related to a grant awarded specifically for the purchase of equipment.

Orchestra support staff

Relates to building staff infrastructure.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

13. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ |
|-------------------------------|--|--|---------------------------------------|
| Tangible fixed assets | 476 | - | 476 |
| Current assets | 126,662 | - | 126,662 |
| Creditors due within one year | (52,044) | - | (52,044) |
| Total | 75,094 | - | 75,094 |

Analysis of net assets between funds - prior year

| | Unrestricted funds 2018 £ | Total funds 2018 £ |
|-------------------------------|--|---------------------------------------|
| Tangible fixed assets | 833 | 833 |
| Current assets | 139,825 | 139,825 |
| Creditors due within one year | (48,116) | (48,116) |
| Total | 92,542 | 92,542 |

14. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2019 £ | 2018 £ |
|--|-------------------|-------------------|
| Net income for the year (as per Statement of Financial Activities) | (17,448) | 64,507 |
| Adjustments for: | | |
| Depreciation charges | 357 | 357 |
| Decrease/(increase) in debtors | 31,114 | (80,989) |
| Increase in creditors | 3,928 | 15,613 |
| Net cash provided by/(used in) operating activities | 17,951 | (512) |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

15. Analysis of cash and cash equivalents

| | 2019 £ | 2018 £ |
|--|-------------------------|-------------------------|
| Cash at bank and in hand | 54,614 | 36,663 |
| Total cash and cash equivalents | <u>54,614</u> | <u>36,663</u> |

16. Related party transactions

There were no other related party transactions during the year other than those detailed in notes 7 and 8.