

# Annual Report of the Trustees and Financial Statements

for the year ended  
31 August 2019



Company No: 2796427  
Charity number: 1085708

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**GLOUCESTERSHIRE ACADEMY OF MUSIC**  
**REPORT OF THE TRUSTEES**  
**For the year ended 31 August 2019**

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**REFERENCE AND ADMINISTRATION DETAILS**

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**Charity name:** Gloucestershire Academy of Music Ltd

**Other names charity is known by:** Gloucester Academy of Music

**Registered charity number:** 1085708

**Company number:** 2796427

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

**Trustees and Board of Directors:**

|                         |               |                              |
|-------------------------|---------------|------------------------------|
| Vivienne Hargreaves     | Chairman      | Appointed to role March 2017 |
| Stephen Belinfante      | Vice-Chairman | Appointed to role March 2017 |
| Flavia Jones            | Treasurer     |                              |
| Anthony Veazey          | Secretary     |                              |
| Thomas Taylor           |               |                              |
| Simon Tyrell            |               | Resigned 3 July 2019         |
| Meurig Bowen            |               |                              |
| Janet Hall              |               |                              |
| James Webster           |               |                              |
| Damian Kenny            |               | Appointed 3 October 2018     |
| Gayathiri Gowri Shankar |               | Appointed 1 October 2019     |

**Advisors:**

|                  |           |
|------------------|-----------|
| Derek Aviss      | President |
| Caroline Lumsden | Founder   |

**Senior staff members:**

|               |                    |
|---------------|--------------------|
| Kirsty Winnan | Executive Director |
| Glyn Oxley    | Artistic Director  |

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## STRUCTURE, GOVERNANCE AND MANAGEMENT

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### **Governing document:**

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

### **Trustee selection methods:**

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

### **Organisational structure:**

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

A Finance Committee meets at least 3 times per year and is involved with preparation of the business plan and financial projections.

The day-to-day management of the Charity is delegated to the Executive Director and the Artistic Director.

### **Trustee induction and training:**

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

A Disclosure and Barring Service check is completed for Trustees where deemed necessary in accordance with government and Charity Commission guidelines for charities working with children and vulnerable adults.

### **Connected parties:**

GAM is a partner in the Gloucestershire Music Education Hub (branded as Make Music Gloucestershire), which distributes funding from Arts Council England and is GAM's primary investor. Other investors in 2018/19 were: The Gloucestershire Community Foundation and Brimpsfield Music Society

GAM worked with 26 external partners throughout the year. GAM's key partnerships were with Cheltenham Festivals, The Multi-story Orchestra, the Carducci String Quartet, The European Union Chamber Orchestra and Gloucestershire Symphony Orchestra (supporting the development and delivery of Gloucestershire Young Musician of the Year). GAM is grateful for its partnership with Dean Close School which accommodates GAM's Saturday afternoon activities and has supported GAM's Inspire project as well as hosting the Gloucestershire Young Musician of the Year contest. GAM also worked with Water City Music at Gloucester's Tall Ships Festival, with the Royal Forest of Dean Herbert Howells Society at its Bursary concert, Cheltenham Festivals on a community opera, Gloucester Cathedral Youth Choir on a concert with Inspire. GAM players performed in Karl Davis's Train to Tomorrow with

schoolchildren and members of Gloucestershire Youth Theatre at the Three Choirs Festival in Gloucester Cathedral. Strike a Light! and The Music Works worked alongside GAM on the Multi-story Orchestra project for the second year running.

We welcomed two new regular users into Barbican House: Edward Jenner School (arts afternoons) and Jackie Shewell-Thomas ballet classes.

**Risk management:**

The Trustees assess risk on a rolling basis and reviewed risk management procedures in 2018/19 as part of an organisational development programme.

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

All personnel, including volunteers, who are in regular contact with children or vulnerable adults are required to undergo an enhanced Disclosure and Barring Service check.

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## OBJECTIVES AND ACTIVITIES

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**Objects of the charity:**

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

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

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

**Public benefit:**

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

The main activities undertaken for public benefit during 2018/19 were:

- a programme of organisational development driven by the aims of improving efficiency, maximising impact and reach through partnership and extending reach and diversifying the range of student beneficiaries
- to plan for an exciting future for Barbican House, GAM's headquarters, to maintain and develop its engagement with a broad cross-section of

communities

- a whole class, small group and 1-1 tuition in schools, making music accessible to a broader range of children and young people
- sustaining a diverse and attractive programme of group sessions and courses, as well as individual tuition, at GAM's centres in Gloucester and Cheltenham
- a series of fun and engaging residential and non-residential holiday courses
- development of an inclusion and community engagement programme underpinned by a focus on extending the benefits of music to those for a broader diversity of cultural and ethnic backgrounds
- running a bursary fund to bring down financial barriers to engagement in GAM's services

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## **ACHIEVEMENTS AND PERFORMANCE**

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- Worked with nearly 2,000 participants, aged 3 to 18 - a 36% increase on the previous year
- Arranged or took part in 29 public performances
- Reached audiences numbering 5,500 in total (double that of the previous year)
- Delivered music activities to 38 schools from all parts of Gloucestershire
- Contracted 53 music leaders to deliver lessons, workshops, courses and masterclasses
- Worked with 26 partner organisations
- Of the 250 children who attend our centres on a weekly basis, 84% are from state schools, 14% attend independent schools and 2% are home educated
- Of the children who attend our centres on a weekly basis, 50% are from Gloucester, 29% from Cheltenham, 9% from the Forest of Dean, 7% from Stroud, 3% from Tewkesbury and 2% from outside Gloucestershire

### **Development of Barbican House**

The board and GAM team have worked hard to maximise use of Barbican House, welcoming users who share GAM's vision for inclusive and high-quality performing arts provision. The Flowers Band are now based in Barbican House and will be working with GAM in the future to develop their youth offer and have already enhanced GAM's brass programme. The Nethra Academy of Performing Arts are willing to plan partnership work with GAM in the future. Jackie Shewell-Thomas now runs her dance classes after school here for four afternoons a week and there are projects underway involving her dancers and GAM musicians. Hire income from these additional users will help us to meet our building maintenance and overhead costs.

### **Music programme:**

GAM enjoyed a challenging and diverse year of music making with students having the opportunity to work with internationally recognised musicians and performing in large scale events throughout the county in prestigious venues, as well as expanding the educational offer at Barbican House and our Cheltenham Junior Department.

- Junior students performed at Christmas and in July at Barbican House and played at the Mayor of Cheltenham's charity concert in Cheltenham Town Hall.
- The Advanced strings took part in the Worcester Chamber Music Festival with Shulah Oliver's string quartet and then in the Carducci Quartet's 21<sup>st</sup> birthday concert at Pittville Pump Rooms.
- Inspire (Gloucestershire Youth Chamber Orchestra) performed in Gloucester Cathedral alongside Gloucester Cathedral Youth Choir and then in the Cheltenham Music Festival as the orchestra for 'Across the Sky' a new community opera which was very well received.
- 140 String players of all standards once again took part in The Big String at Gloucester Cathedral.
- The Easter music courses were a musical success with overwhelming positive feedback from students and parents.
- In partnership with Cheltenham Festivals, our gamelan team delivered workshops and WCET to increase our reach across Gloucestershire. Six schools enjoyed a term of WCET gamelan and a further ten took part in workshops.
- We worked in partnership with Water City Music and Marketing Gloucester for a memorable day of performances at the Gloucester Tall Ships Festival and VIP reception.
- Our intergenerational singing programme 'Stand by Me' took place in three settings.
- Whole class ensemble tuition took place in 17 settings on brass, woodwind and strings.
- Masterclasses from Irina Krasotina, Professor Derek Aviss and Lydia Kenny took place.
- The cello ensemble performed in Cheltenham Town Hall and for The Royal Forest of Dean Herbert Howells Society.
- Nine performance platforms and performance workshops took place in both Gloucester and Cheltenham.
- GAM worked with the Multi-story Orchestra, Strike A Light and The Music Works to perform in the Gloucester Roof-top Festival in July for a second year, with forty of our young musicians sitting in among the professional orchestra players.
- Senior Strings students played in the Three Choirs Festival with a moving performance of 'The Last Train to Tomorrow' by Karl Davis.
- Our summer courses at Barbican House were well received with chamber music and theory being the main focus.

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## FINANCIAL REVIEW

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### **Review of finances in 2018-19:**

The term-time activities continue to grow, with fees from courses increasing from £121,852 to £140,496. Direct costs also increase (mainly tutors' fees) and term-time activity carries 75% of the support costs or central overheads (see note 4). Overall the result was a deficit of £11,584 in the year.

The fees for holiday courses increased from last year's disappointing £40,950 to

£46,784. After allocating 25% of support costs, the holiday courses incurred a deficit of £14,931. This is largely due to increased venue costs, resulting from an enforced last minute change in accommodation. A new venue has been secured for future courses

Schools Music Agency activity decreased slightly in the year. The income to GAM is an administration fee of 17.5% of the fee income which covers the administrator's costs.

The actual performance of GAM was an operational deficit of £6,164. The trustees' strategy is to increase community use of Barbican House and thereby to attract additional funds to offset the costs of the building. This strategy has been successful, leading to an increase in rental income from £6,655 in 2017/18 to £12,916 in 2018/19.

### **Reserves policy:**

It is the Trustees' policy to maintain sufficient funds to satisfy both the current programme of work as well as providing a base reserve of unrestricted funds to cover a funding shortfall in a project, either to its planned conclusion or to bridge a gap in its targeted funding. In addition, there is a contingency fund available for unforeseen organisational obligations and future salary commitments.

Our policy stipulates that there must be sufficient reserves to cover 3 months' expenditure at GAM to enable us to continue our activities while we source new funding – this is reviewed annually. Operational costs for the coming year are estimated to be £240,000, therefore a reserve in the range of £55,000-£60,000 is currently deemed sufficient to sustain the organisation should there be a shortfall in income. The level of cash-backed general reserves at 31 August 2019 was £46,068, which takes into account the net book value of tangible fixed assets. The Trustees are satisfied that they will be able to reach the target level of reserves.

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

### **Bursary fund**

During the year bursaries totalling £2,833 were awarded to individuals and families of existing and prospective students of GAM attending either or both term-time activities and holiday courses. The fund is sustained with the help of donations from various individuals and groups to whom the Trustees are very grateful. In addition, a contribution from the operation of the Schools Music Agency was added to this fund from earnings of the previous year.

### **Volunteers**

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

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## **DECLARATION**

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### **Statement of Trustees' Responsibilities**

The trustees (who are also directors of Gloucestershire Academy of Music Limited for the purposes of company law) are responsible for preparing the trustees' annual

report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

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

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

The directors acknowledge the following responsibilities:

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

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

The trustees' annual report was approved by the trustees on 22 December 2019 and signed on their behalf by

Vivienne Hargreaves – Director and Chairman



**INDEPENDENT EXAMINER'S REPORT**  
**to the trustees of Gloucestershire Academy of Music Limited**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2019.

**Respective responsibilities and basis of report:**

As the charity's trustees (and also its directors for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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

**Independent examiner's statement:**

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

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered part of an independent examination
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the 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 accounts to be reached.

Kate Sayer FCA DChA  
Stroud, Gloucestershire

23 December 2019

Gloucestershire Academy of Music Limited

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

For the year ended 31 August 2019

|                                    | Note | Unrestricted<br>£ | 2019<br>Restricted<br>£ | Total<br>£     | Unrestricted<br>£ | 2018<br>Restricted<br>£ | Total<br>£     |
|------------------------------------|------|-------------------|-------------------------|----------------|-------------------|-------------------------|----------------|
| <b>Income from:</b>                |      |                   |                         |                |                   |                         |                |
| Donations and legacies             | 2    | 2,558             | 62,202                  | <b>64,760</b>  | 26,131            | 60,211                  | 86,342         |
| Charitable activities              |      |                   |                         |                |                   |                         |                |
| Term-time courses                  | 3    | 140,496           | -                       | <b>140,496</b> | 121,852           | -                       | 121,852        |
| Holiday courses                    | 3    | 46,784            | -                       | <b>46,784</b>  | 40,950            | -                       | 40,950         |
| Schools Music Agency               | 3    | 36,319            | -                       | <b>36,319</b>  | 42,942            | -                       | 42,942         |
| Other income                       |      | 14,518            | -                       | <b>14,518</b>  | 15,830            | -                       | 15,830         |
| Investment income                  |      | 48                | -                       | <b>48</b>      | 114               | -                       | 114            |
| <b>Total income</b>                |      | <b>240,723</b>    | <b>62,202</b>           | <b>302,925</b> | <b>247,819</b>    | <b>60,211</b>           | <b>308,030</b> |
| <b>Expenditure on:</b>             |      |                   |                         |                |                   |                         |                |
| Charitable activities              |      |                   |                         |                |                   |                         |                |
| Term-time courses                  | 4    | 147,807           | 62,028                  | <b>209,835</b> | 127,562           | 55,125                  | 182,687        |
| Holiday courses                    | 4    | 61,715            | -                       | <b>61,715</b>  | 54,805            | -                       | 54,805         |
| Schools Music Agency               | 4    | 36,201            | -                       | <b>36,201</b>  | 42,066            | -                       | 42,066         |
| Bursaries                          | 4    | -                 | 2,833                   | <b>2,833</b>   | -                 | 3,034                   | 3,034          |
| <b>Total expenditure</b>           |      | <b>245,723</b>    | <b>64,861</b>           | <b>310,584</b> | <b>224,433</b>    | <b>58,159</b>           | <b>282,592</b> |
| <b>Net income for the year</b>     | 5    | (5,000)           | (2,659)                 | <b>(7,659)</b> | 23,386            | 2,052                   | 25,438         |
| Transfer between funds             | 14   | (1,164)           | 1,164                   | -              | (884)             | 884                     | -              |
| <b>Net movement in funds</b>       |      | <b>(6,164)</b>    | <b>(1,495)</b>          | <b>(7,659)</b> | <b>22,502</b>     | <b>2,936</b>            | <b>25,438</b>  |
| <b>Reconciliation of funds:</b>    |      |                   |                         |                |                   |                         |                |
| Total funds brought forward        |      | 170,813           | 10,449                  | <b>181,262</b> | 148,311           | 7,513                   | 155,824        |
| <b>Total funds carried forward</b> |      | <b>164,649</b>    | <b>8,954</b>            | <b>173,603</b> | <b>170,813</b>    | <b>10,449</b>           | <b>181,262</b> |

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

Gloucestershire Academy of Music Limited

Balance sheet

Company no. 2796427

As at 31 August 2019

|  | Note | £       | 2019<br>£      | £              | 2018<br>£     |
|--|------|---------|----------------|----------------|---------------|
| <b>Fixed assets:</b>                           |      |         |                |                |               |
| Tangible assets                                | 9    |         | 18,581         |                | 21,860        |
| Intangible assets                              | 10   |         | –              |                | –             |
|  |      |         | <u>18,581</u>  |                | <u>21,860</u> |
| <b>Current assets:</b>                         |      |         |                |                |               |
| Debtors  | 11   | 5,004   |                | 11,990         |               |
| Cash at bank and in hand                       |      | 155,511 |                | 151,748        |               |
|  |      |         | <u>160,515</u> | <u>163,738</u> |               |
| <b>Liabilities:</b>                            |      |         |                |                |               |
| Creditors: amounts falling due within one year | 12   | (5,493) |                | (4,336)        |               |
|  |      |         | <u>155,022</u> | <u>159,402</u> |               |
| <b>Net current assets / (liabilities)</b>      |      |         | <u>173,603</u> | <u>181,262</u> |               |
| <b>Total assets less current liabilities</b>   |      |         | <u>173,603</u> | <u>181,262</u> |               |
| <b>Total net assets / (liabilities)</b>        |      |         | <u>173,603</u> | <u>181,262</u> |               |
| <b>The funds of the charity:</b>               |      |         |                |                |               |
| Restricted income funds                        | 14   |         | 8,954          |                | 10,449        |
| Unrestricted income funds:                     |      |         |                |                |               |
| Designated funds                               |      | 100,000 |                | 100,000        |               |
| General funds                                  |      | 64,649  |                | 70,813         |               |
|  |      |         | <u>164,649</u> | <u>170,813</u> |               |
| <b>Total unrestricted funds</b>                |      |         | <u>173,603</u> | <u>181,262</u> |               |
| <b>Total charity funds</b>                     |      |         | <u>173,603</u> | <u>181,262</u> |               |

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

The directors acknowledge the following responsibilities:

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

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

Approved by the trustees on 22 December 2019 and signed on their behalf by

Trustee – James Webster

**1 Accounting policies**

**a) Basis of preparation**

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

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

**b) Public benefit entity**

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

**c) Going concern**

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

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**d) Income**

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

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

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

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

**1 Accounting policies (continued)**

**e) Donations of gifts, services and facilities**

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

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

**f) Interest receivable**

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

**g) Fund accounting**

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

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

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

**h) Expenditure and irrecoverable VAT**

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

Expenditure is classified under the following activity headings:

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

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

**i) Grants payable**

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

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

**1 Accounting policies (continued)**

**j) Allocation of support costs**

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

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

- Term-time courses 75%
- Holiday courses 25%
- Schools Music Agency Fixed at 17.7% of SMA fee income

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

**k) Operating leases**

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

**l) Tangible fixed assets**

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

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

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

- Instruments and equipment 15% reducing balance

**m) Intangible assets**

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

**n) Debtors**

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

**o) Cash at bank and in hand**

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

1 Accounting policies (continued)

p) Creditors and provisions

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

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

q) Pensions

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

2 Income from donations and legacies

|           | 2019              |                 |                      | 2018          |               |               |
|-----------|-------------------|-----------------|----------------------|---------------|---------------|---------------|
|           | Unrestricted<br>£ | Restricted<br>£ | Total<br>£           | Unrestricted  | Restricted    | Total<br>£    |
| Grants    | -                 | 60,256          | <b>60,256</b>        | -             | 59,397        | 59,397        |
| Legacies  | -                 | -               | -                    | -             | -             | -             |
| Donations | 2,558             | 1,946           | <b>4,504</b>         | 26,131        | 814           | 26,945        |
|           | <u>2,558</u>      | <u>62,202</u>   | <u><b>64,760</b></u> | <u>26,131</u> | <u>60,211</u> | <u>86,342</u> |

Grants were received from the following:

|                                      |          |               |                      |          |               |               |
|--------------------------------------|----------|---------------|----------------------|----------|---------------|---------------|
| Arts Council England                 | -        | 57,756        | <b>57,756</b>        | -        | 57,537        | 57,537        |
| Gloucestershire Community Foundation | -        | 2,500         | <b>2,500</b>         | -        | 1,860         | 1,860         |
|                                      | <u>-</u> | <u>60,256</u> | <u><b>60,256</b></u> | <u>-</u> | <u>59,397</u> | <u>59,397</u> |

Gloucestershire Academy of Music Limited

Notes to the financial statements

For the year ended 31 August 2019

3 Income from charitable activities

|   | 2019              |                 |                | 2018         |            |            |
|---|-------------------|-----------------|----------------|--------------|------------|------------|
|   | Unrestricted<br>£ | Restricted<br>£ | Total<br>£     | Unrestricted | Restricted | Total<br>£ |
| Individual lesson fees                  | 75,399            | -               | <b>75,399</b>  | 64,616       | -          | 64,616     |
| Group lessons                           | 58,678            | -               | <b>58,678</b>  | 51,278       | -          | 51,278     |
| Exam fees                               | 6,419             | -               | <b>6,419</b>   | 5,958        | -          | 5,958      |
| Sub-total for Term-time courses         | 140,496           | -               | <b>140,496</b> | 121,852      | -          | 121,852    |
| Fees from participants                  | 46,784            | -               | <b>46,784</b>  | 40,950       | -          | 40,950     |
| Sub-total for Holiday courses           | 46,784            | -               | <b>46,784</b>  | 40,950       | -          | 40,950     |
| Individual lesson fees                  | 28,030            | -               | <b>28,030</b>  | 30,409       | -          | 30,409     |
| Shared lesson fees                      | 5,801             | -               | <b>5,801</b>   | 7,061        | -          | 7,061      |
| Group lesson fees                       | 2,488             | -               | <b>2,488</b>   | 5,472        | -          | 5,472      |
| Sub-total for Schools Music Agency      | 36,319            | -               | <b>36,319</b>  | 42,942       | -          | 42,942     |
| Total income from charitable activities | 223,599           | -               | <b>223,599</b> | 205,744      | -          | 205,744    |



Gloucestershire Academy of Music Limited

Notes to the financial statements

For the year ended 31 August 2019

4a Analysis of expenditure – 2019

|                                    | Charitable activities |                 |                      |              | Governance costs | Support costs | 2019 Total     |
|------------------------------------|-----------------------|-----------------|----------------------|--------------|------------------|---------------|----------------|
|                                    | Term-time courses     | Holiday courses | Schools Music Agency | Bursaries    |                  |               |                |
|                                    | £                     | £               | £                    | £            | £                | £             | £              |
| Staff costs (Note 6)               | 92,515                | 10,364          | 35,855               | -            | -                | 92,494        | 231,228        |
| Holiday courses costs              | -                     | 19,817          | -                    | -            | -                | -             | 19,817         |
| Examination costs                  | 4,206                 | -               | -                    | -            | -                | -             | 4,206          |
| Instruments and music              | -                     | -               | -                    | -            | -                | 3,948         | 3,948          |
| Education and development          | 16,727                | -               | -                    | -            | -                | 114           | 16,841         |
| Prizes/Bursaries awarded           | 187                   | -               | -                    | 2,833        | -                | -             | 3,020          |
| Property costs including utilities | 942                   | -               | -                    | -            | -                | 15,650        | 16,592         |
| Office and administration costs    | 841                   | -               | -                    | -            | -                | 8,507         | 9,348          |
| Miscellaneous costs                | 333                   | 172             | -                    | -            | -                | 48            | 553            |
| Independent examination fee        | -                     | -               | -                    | -            | 1,800            | -             | 1,800          |
| Depreciation and amortisation      | -                     | -               | -                    | -            | -                | 3,279         | 3,279          |
| Bank charges and bad debts         | -                     | -               | -                    | -            | -                | (48)          | (48)           |
|                                    | 115,751               | 30,353          | 35,855               | 2,833        | 1,800            | 123,992       | 310,584        |
| Support costs                      | 92,735                | 30,912          | 346                  |              |                  | (123,992)     |                |
| Governance costs                   | 1,350                 | 450             |                      |              | (1,800)          |               |                |
| <b>Total expenditure 2019</b>      | <b>209,835</b>        | <b>61,715</b>   | <b>36,201</b>        | <b>2,833</b> | <b>-</b>         | <b>-</b>      | <b>310,584</b> |

4b Analysis of expenditure – 2018

# Gloucestershire Academy of Music Limited

## Notes to the financial statements

For the year ended 31 August 2019

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### 5 Net income / (expenditure) for the year

This is stated after charging / (crediting):

|                                      | 2019<br>£    | 2018<br>£    |
|--------------------------------------|--------------|--------------|
| Depreciation                         | 3,279        | 3,858        |
| Independent examiner's fee           | 1,500        | 1,500        |
| Interest payable                     | -            | -            |
| Operating lease rentals:<br>Property | 2,500        | 2,500        |
|                                      | <u>2,500</u> | <u>2,500</u> |

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

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

During the financial year, the daughter of one trustee (Damian Kenny) was employed on a temporary contract by the Charity on the same terms as other staff. Ms Kenny was paid £5,740 in the year.

The children of the Artistic Director (Glyn Oxley) were employed on temporary contracts as welfare assistants on the holiday courses and were paid £1,310 for this work.

Staff costs were as follows:

|  | 2019<br>£      | 2018<br>£      |
|--|----------------|----------------|
| Salaries and wages   | 88,663         | 76,399         |
| Social security costs  | 2,808          | 5,358          |
| Employer's contribution to defined contribution pension scheme | 954            | 369            |
| Fees to tutors and ancillary staff                             | 138,803        | 139,633        |
|  | <u>231,228</u> | <u>221,759</u> |

No employee earned more than £60,000 during the year (2018: nil).

The key management personnel for Gloucestershire Academy of Music are the trustees, the Artistic Director and the Executive Director. The trustees receive no remuneration. The total employee benefits including pension contributions of the key management personnel were £54,363 (2018: £46,489).

### 7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was five (2018 – five).

### 8 Taxation

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

**Gloucestershire Academy of Music Limited**

**Notes to the financial statements**

**For the year ended 31 August 2019**

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9 Tangible fixed assets

|                               | Instruments<br>& equipment<br>£ | Pianos<br>£ | Total<br>£  |
|-------------------------------|---------------------------------|-------------|-------------|
| <b>Cost or valuation</b>      |                                 |             |             |
| At the start of the year      | 12,043                          | 23,685      | 35,728      |
| Additions in year             | -                               | -           | -           |
| Disposals in year             | -                               | -           | -           |
|                               | <hr/>                           | <hr/>       | <hr/>       |
| At the end of the year        | 12,043                          | 23,685      | 35,728      |
|                               | <hr/>                           | <hr/>       | <hr/>       |
| <b>Depreciation</b>           |                                 |             |             |
| At the start of the year      | 10,315                          | 3,553       | 13,868      |
| Disposals                     | -                               | -           | -           |
| Charge for the year           | 259                             | 3,020       | 3,279       |
|                               | <hr/>                           | <hr/>       | <hr/>       |
| At the end of the year        | 10,574                          | 6,573       | 17,147      |
|                               | <hr/>                           | <hr/>       | <hr/>       |
| <b>Net book value</b>         |                                 |             |             |
| <b>At the end of the year</b> | 1,469                           | 17,112      | 18,581      |
|                               | <hr/> <hr/>                     | <hr/> <hr/> | <hr/> <hr/> |
| At the start of the year      | 1,728                           | 20,132      | 21,860      |
|                               | <hr/> <hr/>                     | <hr/> <hr/> | <hr/> <hr/> |

All of the above assets are used for charitable purposes.

**10 Intangible assets**

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

**11 Debtors**

|                          | 2019<br>£    | 2018<br>£     |
|--------------------------|--------------|---------------|
| Trade debtors            | 191          | 4,466         |
| Less; bad debt provision | -            | (1,832)       |
| Other debtors            | -            | 9,356         |
| Prepayments              | 4,813        | -             |
| Accrued income           | -            | -             |
|                          | <u>5,004</u> | <u>11,990</u> |

**12 Creditors: amounts falling due within one year**

|                              | 2019<br>£    | 2018<br>£    |
|------------------------------|--------------|--------------|
| Trade creditors              | 378          | 387          |
| Taxation and social security | 2,303        | 1,820        |
| Amounts received in advance  | 1,012        | 329          |
| Accruals                     | 1,800        | 1,800        |
|                              | <u>5,493</u> | <u>4,336</u> |

**13a Analysis of net assets between funds – 2019**

|  | General<br>unrestricted<br>£ | Designated<br>£ | Restricted<br>£ | Total<br>funds<br>£ |
|--|------------------------------|-----------------|-----------------|---------------------|
| Tangible fixed assets                    | 18,581                       | -               | -               | 18,581              |
| Net current assets                       | 46,068                       | 100,000         | 8,954           | 155,022             |
| <b>Net assets at the end of the year</b> | <u>64,649</u>                | <u>100,000</u>  | <u>8,954</u>    | <u>173,603</u>      |

**13b Analysis of net assets between funds – 2018**

|  | General<br>unrestricted<br>£ | Designated<br>£ | Restricted<br>£ | Total<br>funds<br>£ |
|--|------------------------------|-----------------|-----------------|---------------------|
| Tangible fixed assets                    | 21,860                       | -               | -               | 21,860              |
| Net current assets                       | 48,953                       | 100,000         | 10,449          | 159,402             |
| <b>Net assets at the end of the year</b> | <u>70,813</u>                | <u>100,000</u>  | <u>10,449</u>   | <u>181,262</u>      |

Gloucestershire Academy of Music Limited

Notes to the financial statements

For the year ended 31 August 2019

14 Movements in funds

|   | At the start<br>of the year<br>£ | Incoming<br>resources &<br>gains<br>£ | Outgoing<br>resources &<br>losses<br>£ | Transfers<br>£ | At the end<br>of the year<br>£ |
|---|----------------------------------|---------------------------------------|--|----------------|--------------------------------|
| <b>Restricted funds:</b>                  |                                  |                                       |  |                |                                |
| a Bursary fund                            | 4,677                            | 4,446                                 | 2,833                                  | 1,164          | 7,454                          |
| b Arts Council England                    | 4,462                            | 57,756                                | 60,718                                 | -              | 1,500                          |
| c Gloucestershire Community<br>Foundation | 1,310                            | -                                     | 1,310                                  | -              | -                              |
| <b>Total restricted funds</b>             | <b>10,449</b>                    | <b>62,202</b>                         | <b>64,861</b>                          | <b>1,164</b>   | <b>8,954</b>                   |
| <b>Unrestricted funds:</b>                |                                  |                                       |  |                |                                |
| Designated funds:                         |                                  |                                       |  |                |                                |
| Development fund                          | 100,000                          | -                                     | -                                      | -              | 100,000                        |
| Total designated funds                    | 100,000                          | -                                     | -                                      | -              | 100,000                        |
| <b>General funds</b>                      | <b>70,813</b>                    | <b>240,723</b>                        | <b>245,723</b>                         | <b>(1,164)</b> | <b>64,649</b>                  |
| <b>Total unrestricted funds</b>           | <b>170,813</b>                   | <b>240,723</b>                        | <b>245,723</b>                         | <b>(1,164)</b> | <b>164,649</b>                 |
| <b>Total funds</b>                        | <b>181,262</b>                   | <b>302,925</b>                        | <b>310,584</b>                         | <b>-</b>       | <b>173,603</b>                 |

**Purpose of restricted funds**

- a *Bursary fund* – to make awards to individuals and families of existing and prospective students attending term-time activities and holiday courses.
- b *Arts Council for England* – this is funding for training and courses in Gloucestershire
- c *Gloucestershire Community Foundation* – a one-off grant from the Freemasons to support the *Stand by Me* programme of work with older people

The transfer represents amounts donated from unrestricted income to the bursary fund.

**Purpose of designated funds**

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

**15 Legal status of the charity**

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