

Company number: 02944161

(England and Wales)

Lancaster Community Music Trust

Report of the Trustees and Unaudited Financial Statements

For the year ended 31 August 2017

Lancaster Community Music Trust
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Lancaster Community Music Trust
Report of the Trustees
For the year ended 31 August 2017

The Trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements for the charitable company for the year ended 31 August 2017. The Trustees have adopted the provisions of 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 the Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objects of the company

The company's principal objects, as set out in the Memorandum of Association are:

"The promotion, improvement, development and maintenance of public education in, and appreciation of, music in the District of the City of Lancaster."

The company was formed in 1994 and has pursued its objects by establishing, managing and developing a Music Centre for the Lancaster District (known as the Lancaster Community Music Centre) that offers tuition in a variety of instruments, on both a group and individual basis, to members of the public, of all ages and abilities. The Music Centre operates on Saturday mornings, largely during school terms, from premises at Lancaster Royal Grammar School.

There were no changes in the year in the policies adopted by the company in order to further its objects.

Organisation of the company

The company is governed by its Board of Trustees, consisting of not less than 3 members, which meets at least five times per year.

Objectives and aims

The trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

ACHIEVEMENTS AND PERFORMANCE

Progress in the year

The company continued to operate the Music Centre from its premises at Lancaster Royal Grammar School. The number of paying members was 129 (an increase from 116 in 2015-16). Income from access fees (£14,626) increased compared with 2016 (£13,698). Paid ensemble hours remained at around 300 hours as in 2016, corresponding to around 10 hours/week, with some ensembles remaining under voluntary leadership to maintain the reduced expenditure.

Voluntary assistance

The company depends considerably on the commitment and enthusiasm of its volunteers. Most of the management of the company is undertaken by unpaid volunteers.

Lancaster Community Music Trust
Report of the Trustees Continued
For the year ended 31 August 2017

FINANCIAL REVIEW

Review of financial position

The financial results for the year are as set out in the income and expenditure account on page 6 and the statement of financial activities on page 7. The position at the end of the year is shown in the balance sheet on page 8.

The main points arising from these accounts are as follows:

(i) Total income from the company's activities increased by 5.05% to £17,306 (2016 - £16,474). The income within this sum (excluding donations and legacies) applied to the costs of operating the Music Centre increased by £768 from £16,088 to £16,856

(ii) Total expenditure of the company decreased by 8.1% to £16,417 (2016 - £17,872).

(iii) Income from donations and associated income tax recoveries increased from £386 to £491.

The revenue reserves of the company increased to £15,374 (2016 - £14,443).

Fixed assets

Movements in fixed assets in the year are shown in note 4 to the accounts. Capital expenditure of £Nil (2016 - nil) took place in the year.

Valuation of fixed assets

The trustees consider the market value of the company's fixed assets to be more than their current book value but in the absence of a valuation are unable to quantify the excess..

Future plans and commitments

The company's finances are considered by the Trustees to be sufficient to meet all existing commitments.

(i) Connected charities

The company is not connected with, or affiliated to, any similar charities.

Reserves

The policy of the company is to eventually retain a working capital reserve equivalent to a year's running costs. This is to be achieved by stages. The reserve is considered to be the amount necessary to provide a sufficient financial cushion, should the company have to seek new premises for the Music Centre. For the 2017-18 year, as an interim measure, the policy is to retain a working capital reserve equivalent to 75 per cent of the running costs for the past year. The actual level of the reserve at 31 August 2017 was £15,374 (2016 - £14,443), compared to a required level of £16,013.

Lancaster Community Music Trust
Report of the Trustees Continued
For the year ended 31 August 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Constitution and governing legislation

The charity is established as a limited company, without share capital, under the Companies Act 2006. Its operation is governed by its Memorandum and Articles of Association of 30 June 1994. The company number is 2944161. The company is a registered charity (no. 1062049).

Specific restrictions on the company

(i) Clause 4 of the Memorandum of Association of the company stipulates that the income and property of the company shall be applied solely towards the promotion of its objects and no portion is to be paid by way of dividend, bonus or otherwise to the members of the company. Additionally no trustee appointed to any office of the company is to be paid a salary, or receive any remuneration or other benefit from the company.

(ii) Clause 3.12 of the Memorandum of Association prohibits the company from combining with other entities unless their objects are the same or similar and their constitutions contain similar restrictions to that of the company concerning the distribution of profits.

(iii) Clause 7 of the Memorandum of Association states that upon the winding up or dissolution of the company any assets remaining, after the satisfaction of all liabilities, shall not be paid to or distributed among the members of the company, but shall be transferred to other charitable bodies having similar objects and which similarly prohibit the distribution of income or property among its members.

Full details of all the restrictions imposed on the company and the framework within which the company operates are contained in the Memorandum of Association.

(j) Investment powers

The company is permitted by its Memorandum of Association to invest any funds not immediately required for its purposes in any investments, securities or property as may be thought fit subject to such conditions as may for the time being be imposed or required by law

Recruitment and appointment of trustees

Appointment of trustees

The appointment of trustees is governed by provisions contained within the company's Articles of Association. These are as follows:

(i) At each annual general meeting one third of the members of the Board of Trustees must retire and, if desired, stand for re - election. The trustees to retire are those longest in office since their last election.

(ii) The company, at the annual general meeting, may fill the positions vacated by the retiring trustees by electing any persons thereto, or by re - electing the retiring members.

The Board of Trustees has the power to appoint any person to be a trustee either to fill a casual vacancy or in order to increase the number of trustees. Any trustee appointed in this way must retire at the following annual general meeting and stand for re - election, if desired, at that meeting.

(iv) Any member of the company, qualified to attend and vote at the annual general meeting, is entitled to propose the appointment of a person to act as a trustee.

Trustees' responsibilities

The trustees are required to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the surplus or deficit of the company for that year. In preparing those accounts the trustees are required to:

- a) select suitable accounting policies and then apply them consistently,
- b) make judgements and estimates that are reasonable and prudent;
- c) follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts; and
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that this basis applies.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with all relevant legislation. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Lancaster Community Music Trust
Report of the Trustees Continued
For the year ended 31 August 2017

REFERENCE AND ADMINISTRATIVE INFORMATION

Name of Charity Lancaster Community Music Trust
Company registration number 02944161
Principal address 4 Fairfield Close
Lancaster
England
LA1 5NT

Trustees

The trustees and officers serving during the year and since the year end were as follows:

Mr D Shooter
(: 31 October 2016)
Mr J McIlveen
Mr N Gilliat
Mr R Frankland
Mr T Forsdick
Ms L Howorth
Mrs L Roch
(: 31 October 2016)
Mrs M C Shaw
Mrs N Waller- Sargent

Secretary

Mrs R Hutchison

Independent examiners

Fiona Wills Accountancy Services
Unit 3, Pixel Mill
44 Appleby Road
Kendal
Cumbria
LA9 6ES

Bankers

Royal Bank of Scotland
2 New Street
Lancaster
LA1 1EG
Scottish Widows plc
PO Box 12757
67 Morrison Street
Edinburgh
EH3 8YJ

Approved by the Board of Trustees and signed on its behalf by

.....
Mr T Forsdick

25 November 2017

Lancaster Community Music Trust
Statement of Financial Activities (including Income and Expenditure account)
For the year ended 31 August 2017

	Notes	Unrestricted funds £	2016 £
Income and endowments from:			
Donations and legacies	2	17,306	16,474
Investments	3	42	88
Total		17,348	16,562
Expenditure on:			
Raising funds	4	(8,603)	(9,263)
Charitable activities	5/6	(7,200)	(8,282)
Other expenditure		(614)	(327)
Total		(16,417)	(17,872)
Net income/expenditure		931	(1,310)
Reconciliation of funds			
Total funds brought forward		14,443	15,753
Total funds carried forward		15,374	14,443

Lancaster Community Music Trust
Statement of Financial Position
As at 31 August 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	11	250	357
		250	357
Current assets			
Cash at bank and in hand		15,705	14,486
		15,705	14,486
Creditors: amounts falling due within one year	12	(581)	(400)
Net current assets		15,124	14,086
Total assets less current liabilities		15,374	14,443
Net assets		15,374	14,443
The funds of the charity			
Unrestricted income funds	13	15,374	14,443
Total funds		15,374	14,443

For the year ended 31 August 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

- 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 trustees 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 financial statement were approved and authorised for issue by the Board and signed on its behalf by:

.....
Mr T Forsdick
Trustee

25 November 2017

Lancaster Community Music Trust
Notes to the Financial Statements
For the year ended 31 August 2017

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value and the revaluation of certain fixed assets and 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)', Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

Lancaster Community Music Trust 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 note(s).

2. Income from donations and legacies

	2017	2016
	£	£
Unrestricted funds		
Donations received	15,116	14,083
Legacies received	1,359	1,455
Grants received	823	434
Subscriptions received	8	82
Sponsorships received	-	420
	17,306	16,474

3. Investment income

	2017	2016
	£	£
Unrestricted funds		
Bank interest receivable	42	88
	42	88

4. Expenditure on generating donations and legacies

	2017	2016
	£	£
Unrestricted funds		
Donations	7,792	8,333
Legacies	394	930
Support costs	417	-
	8,603	9,263

Lancaster Community Music Trust
Notes to the Financial Statements Continued
For the year ended 31 August 2017

5. Costs of charitable activities by fund type

	2017	2016
	£	£
Unrestricted funds		
Support costs	7,200	-

6. Costs of charitable activities by activity type

	2017	2016
	£	£

7. Analysis of support costs

	2017	2016
	£	£
Governance costs	7,617	-

8. Net income/(expenditure) for the year

This is stated after charging/(crediting):

	2017	2016
	£	£
Depreciation of owned fixed assets	108	140
Accountancy fees	417	400
Operating lease charges - hire of plant and machinery	-	7,200
	-	7,200

9. Staff costs

Total staff costs for the year ended 31 August 2017 were:

	2017	2016
	£	£
Salaries and wages	-	226
	-	226

Lancaster Community Music Trust
Notes to the Financial Statements Continued
For the year ended 31 August 2017

10. Comparative for the Statement of Financial Activities

The comparative year values on the Statement of Financial Activities are for unrestricted funds.

11. Tangible fixed assets

Cost or valuation	Plant and machinery £	Fixtures and fittings £	Total £
At 01 September 2016	14,621	636	15,257
At 31 August 2017	14,621	636	15,257
Depreciation			
At 01 September 2016	14,263	636	14,899
Charge for year	108	-	108
At 31 August 2017	14,371	636	15,007
Net book values			
At 31 August 2017	250	-	250
At 31 August 2016	358	-	358

12. Creditors: amounts falling due within one year

	2017 £	2016 £
Accruals and deferred income	581	400
	581	400

13. Movement in funds

Unrestricted Funds

	Balance at 01/09/2016 £	Incoming resources £	Outgoing resources £	Balance at 31/08/2017 £
<i>General</i>				
General	14,443	17,348	(16,417)	15,374
	14,443	17,348	(16,417)	15,374

Lancaster Community Music Trust
Notes to the Financial Statements Continued
For the year ended 31 August 2017

Unrestricted Funds - Previous year

	Balance at 01/09/2015 £	Incoming resources £	Outgoing resources £	Balance at 31/08/2016 £
<i>General</i>				
General	15,753	16,562	(17,872)	14,443
	15,753	16,562	(17,872)	14,443

14. Analysis of net assets between funds

	Tangible fixed assets £	Net current assets / (liabilities) £	Net Assets £
Unrestricted funds			
<i>General</i>			
General	250	15,124	15,374
	250	15,124	15,374

Previous year

	Tangible fixed assets £	Net current assets / (liabilities) £	Net Assets £
Unrestricted funds			
<i>General</i>			
General	357	14,086	14,443
	357	14,086	14,443

Lancaster Community Music Trust
Detailed Statement of Financial Activities
For the year ended 31 August 2017

	2017	2016
	£	£
INCOME AND ENDOWMENT		
Donations and legacies		
Donations	15,116	14,083
Legacies	1,359	1,455
Grants receivable	823	434
Subscriptions	8	82
Sponsorships	-	420
	17,306	16,474
Investments		
Bank interest receivable	42	88
	42	88
Total incoming resources	17,348	16,562
EXPENDITURE		
Raising donations and legacies		
Donations	(7,792)	(8,333)
Legacies	(394)	(930)
	(8,186)	(9,263)
Other		
Other resources expended 1	(548)	(3)
Other resources expended 2	(66)	(102)
Other resources expended 3	-	(222)
	(614)	(327)
SUPPORT COSTS		
Governance costs		
Governance costs	(417)	-
Governance costs (Activity 1)	(7,200)	-
Accountancy fees	-	(400)
Other office costs	-	(140)
Other finance costs	-	(542)
Operating lease rentals - plant and machinery	-	(7,200)
	(7,617)	(8,282)
Total resources expended	(16,417)	(17,872)
Net Income	931	(1,310)