



NATIONAL FEDERATION OF MUSIC SOCIETIES

Trading as Making Music

Annual Report and Financial Statements

For the year ended 31 December 2022

Company Number 308632

Registered Charity in England and Wales Number 249219

Registered Charity in Scotland Number SC038849

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Westerley Winds, some of whom took their Grade 5 theory exam during the pandemic



One Voice Community Choir take part in Make Music Day

The trustees (who are also the directors of the company for the purposes of company law) present their report together with the audited group and parent charity financial statements for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and in accordance with the governing document, current statutory requirements and 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 Republic of Ireland (FRS 102)" (effective 1 January 2019) - (Charities SORP).



Cambridge Philharmonic Society



Choir With No Name

Making Music - who we are

Making Music is a charity and the UK association for leisure-time music, with 4,000+ music groups in membership, comprising around 220,000 hobby musicians.

We support our members with practical services and artistic development opportunities, we connect them with each other, the wider sector and relevant other organisations, and we celebrate and advocate for the leisure-time music sector and its benefits - physical, social, psychological, educational, economic - to individuals, communities and policy makers. We seek to ensure that conditions are right for leisure-time music groups to flourish.

Summary of the year

2022 saw groups resume in-person activity with enthusiasm, but some, perhaps fragile before Covid, struggled more than others, particularly when the cost of living crisis then struck them additionally.

This affected members in several ways: their costs rose, for instance for hiring spaces, for regular musical activities and for performances, for their professional music leaders, etc. But their participants were less well-off, too, so members found it difficult, or didn't want to ask them for a higher contribution to costs (groups strive to be as accessible as they can be). On top of that, groups did not quite regain their pre-Covid income levels in 2022, as 54% of them still renewed membership for 2023 on the lowest subscription band (compared to 46% pre-Covid, but an improvement on 64% who renewed on the lowest band for 2022).

Challenges for groups remained around **rehearsal spaces and performance venues**, related to cost, but also availability and suitability, and around **volunteers for committees**.

During consultations for our next 5-year plan, members set priorities around finding new participants for their group, growing their audiences, help with becoming more resilient and building better connections in their communities, and for Making Music to work to protect leisure-time music from threats. These priorities are reflected in the plan, published in 2023.

We continued working on **Equality, Diversity and Inclusion**; we reviewed our EDI plan; and we wrote Inclusive Work Culture and Learning Culture policies, to support our work in making Making Music an organisation with an inclusive, welcoming and supportive work environment. We changed our staff recruitment process to increase access to opportunities at Making Music by developing anonymised task-based applications. We held one-to-one conversations with our team to understand their challenges and enthusiasm for EDI work, and these will help us build Inclusive Work Culture and Learning Culture plans in 2023.

We were successful with **funding applications** to the Esmée Fairbairn Foundation (starting August 2022) and Arts Council England (due to start April 2023) to enable us to expand work on inclusion and access with our members, running more events, creating more resources and developing working groups, as well as planning an in-depth support pilot programme with some members selected through open calls for 2023-2025.

We continued our work supporting and encouraging Making Music members to consider the positive ambassador role they can embrace in terms of **climate change** messaging, and Making Music itself created an Environmental Policy and is working on a detailed plan and set of actions to accompany it, for 2023.

Objectives and activities

What does Making Music do?

- **Support members:** practical services and artistic development opportunities; facilitate and build connections, to enable everyone and anyone to set up and run a leisure-time music group, and for groups to keep growing, find inspiration and aspire to excellence; celebrate and highlight our members' achievements; and stand up for their needs with policy makers and other stakeholders.
- **Support leisure-time music:** stand up for and celebrate the leisure-time music sector (of which our members are part) to policy makers so that policy can take into account the individual and community benefits of participating in music as a hobby; and to the general public so that more new people are able to draw down such benefits and may be encouraged to join one of our member groups.

Our vision

Everyone has opportunities within reach to make and present their kind of music with others.

Our mission

Making Music is a membership organisation which supports, stands up for and celebrates groups of people making and presenting music together in their leisure time across the UK.

Our objectives

Our current business plan, due to end 2021, was extended for an additional year due to the impossibility of future-gazing whilst the pandemic was still in full flow, therefore Making Music during 2022 continued to ...

1. **Support members:** Help Making Music groups become stronger and better able to connect with new members and audiences.
2. **Support members/support leisure-time music:** Stand up for and celebrate Making Music groups, their members, and others coming together to make or present music in their leisure time across the UK.
3. **Support members/support leisure-time music:** Invite and welcome all kinds of music groups to become part of the Making Music community.

How do our activities benefit the public?

Our main activities and who we support are described below. All our charitable activities focus on our charitable objective to ‘maintain, improve and advance education by promoting the art and practice and public performance of music throughout the United Kingdom and in other countries’ and are delivered to further that charitable purpose for the public benefit. The trustees have complied with their duty to have regard to the Charity Commission’s guidance on public benefit when exercising any powers or duties to which the guidance is relevant.

The trustees are confident that Making Music’s activities offer public benefit:

- All individuals in society have the potential to benefit from the activities of Making Music, for example its publicly available search facility on the website (‘Find a Group’), and from the activities of its members, either by joining a leisure-time music group or experiencing their performances, workshops and other events.
- Making Music’s advocacy work is of benefit to all, whether or not they are involved in music already, by seeking to maintain or establish an environment in which live music-making by and for everyone can flourish and be available to participants and audiences in communities across the UK.
- There are no restrictions on membership of Making Music, any leisure-time music group can become an Associate Member, although Full Membership is restricted to not-for-profit constituted groups.
- Financial assistance with joining Making Music is considered in cases of individual hardship. Since 2015 Making Music has had a specially reduced rate (50% discount) for new groups just setting up and for youth groups (25%) where participants are 21 or under.

How does society benefit?

Leisure-time music groups made up of hobby musicians create many benefits for the individuals taking part in their musical activity; for the individuals experiencing the resulting performances; and for the communities in which they are active.

- **For individuals**, there is now a large and growing body of research which provides clear evidence of the social, educational, psychological, and biological (physical health and well-being) benefits of group music activity.

- **For society**, there is a developing evidence base to show that connectedness across socio-economic and cultural divides within communities through group activity brings many benefits to a local area, including making it a more desirable place to live and work, contributing to place-making and regeneration.
 - Leisure-time music groups also raise millions of pounds annually for local charities and community resources
 - For their audiences, the events our members present may be the only locally available and accessible live music, so for them, too, there are social, educational and well-being benefits
 - These locally created and promoted events also play a significant part in generating pride of place and raising the ambitions of a community
- **For the economy**, these groups collectively have a significant financial impact. Whilst small individually (76% have a turnover of below £14.5k a year), they are estimated to be around 13,500 in number across the UK, comprising around 750,000 participants. 98% of them engage professional musicians in some capacity (conductors, soloists, accompanists, etc.), with fees an estimated £86.4m a year; commissioning 2,000 new pieces of music annually; spending significantly with suppliers such as music publishers (£6.4m a year), retailers (instruments, accessories), on promotion, etc.

These benefits are created by usually small volunteer-led and run groups. Making Music’s support enables them to continue providing these benefits to individuals and society and facilitates more and different people benefitting by joining or setting up such music groups.

“ Being a member of Making Music has helped enormously over the last couple of years and we are very grateful for the guidance and support you have offered to help us navigate through the many challenges we have had to deal with. ”

Making Music member

Thanks

The Board would like to thank the staff throughout the UK who continue to put in huge efforts on behalf of members. We are fortunate that every member of staff is deeply committed to the cause of live music-making in communities. In 2022, they continued tirelessly to support members and respond to their needs.

Our thanks also go to the funders who supported activity during 2022. These are: Arts Council England (ACE); Creative Scotland; PRS for Music Foundation; Philip & Dorothy Green Music Trust; Esmée Fairbairn Foundation.

Making Music also owes its 101 volunteers a large debt of thanks and would like to take this opportunity to thank them and pay tribute to their dedication and enthusiasm:

1 President, 13 Board members, 80 Listeners, 7 occasional volunteers.

Achievements and performance

1. Supporting members

Helping Making Music groups become stronger and better able to connect with new members and audiences, practical services and artistic development opportunities.

Our tailor-made affordable insurance covers all aspects of leisure-time music group activity and is made possible by our buying power on behalf of over 3,900 groups.

- **93% of members took insurance in 2022 (2021: 93%)**

We offer:

Guidance on Performing Right Society (PRS) responsibilities and a way of declaring and paying PRS royalties for performances in unlicensed venues via us, with a discount. In 2022, activity was recovering from Covid, but had not returned entirely to pre-pandemic levels.

- **£70,489 royalties collected from members (2021: £15,634)**

Safeguarding guidance, templates, training, online resources, Disclosure & Barring Services checks.

- **290 DBS checks carried out (2021: 259)**

Advice and support via email or telephone from friendly and well-trained staff who understand how groups are run and what their issues are; this continued to be an important and valued service in 2022. We also carried on open-access online member meet-ups with break-out rooms facilitated by staff which enabled members to ask questions on topics of concern.

- **Over 1,538 phone calls with 880 groups (2021: over 1,315 calls with 981 groups)**

200+ online resources in three categories: 'have to know or do'; 'help to run the group better'; 'inspiration for a brighter future'. Resources include written and audio-visual guidance, template policies and contracts, case studies and online tools. In 2022, Making Music continued to produce new resources to support members.

- **29 new online resources (2021: 42)**
- **253,563 unique views of resources pages (2021: 573,429)**
- **1.05m total website page views (2021: 1.43m)**

Dissemination of information: Highnotes membership magazine three times a year; iNotes monthly e-newsletter; emails on specific opportunities.

- **6,800 received Highnotes (2021: 6,890)**
- **13,500 on iNotes mailing list (2021: 12,805)**
- **223 broadcast emails to 813,366 recipients (2021: 194 to 816,251)**

Discounts and subsidies: discounts negotiated with corporate members and partners; subsidies towards cost of engaging professional musicians.

- **Subsidies of £6,050 to 32 groups towards engaging Philip & Dorothy Green Young Artists (2021: £4,600 to 22 groups)**
- **Subsidies of £400 to 4 groups for engaging artists from the Selected Artists' Guide (2021: n/a)**
- **Subsidies of £1,710 to 18 groups towards artists' costs (2021: £1,711 to 18 groups)**
- **Artists' Expenses subsidies of £1,075 to 9 groups (2021: n/a)**

“ A massive thank you to you and your colleagues for all your hard work and support with this [charity registration] application, we could not have done it without you, and we are eternally grateful! ”

Making Music member

Specific services: e.g. charity registration service, Orchestra Tax Relief (OTR) service, MM Platform (online admin/website template). In 2022, these services continued to be provided, with a strong revival of OTR claims post-Covid.

- **27 groups helped to register as charities (2021: 18)**
- **4 new groups claimed Orchestra Tax Relief (2021: 4), 11 more signed up but haven't submitted their first claim. 55 successful OTR claims (2021: 44)**
- **£174,870 OTR claimed for members (2021: £56,554)**
- **74 MM Platforms set up (2021: 80)**

Promotion: 'Find a group' online tool enables the public to discover a leisure-time music group near them; vacancies allow groups to engage the music professionals they need; from events listings the public can discover performances in their area.

- **49,973 Find a Group pages viewed (2021: 47,689)**
- **95,810 Vacancy pages viewed (2021: 66,313)**
- **71,703 Events pages viewed total, including MM events (2021: 86,531)**

Artistic development: Adopt a Music Creator; legacy pieces free to Making Music groups. In 2022, some of the 2019/20 and the 2020/2021 cohort of groups matched with music creators continued working. The last two of the seven 2019/2020 pairings managed to conclude their projects by the end of the year, and five of the 2020/2021 projects. All six 2022 projects concluded in 2022.

- **2022: 6 music creators ‘adopted’ by 7 groups (one collaboration between 2 groups) (2020/2021: 7 adopted by 8 groups)**

Artistic development: support for instrumental group conductors, one event in 2022.

- **Instrumental ensemble leadership workshop with Martyn Brabbins, Music Director of English National Opera, for 5 conductors, involving 37 players from member groups and 8 players from the ENO orchestra**

Programming and repertoire inspiration via our online Music Bank database and via Musica International, a choral database to which we subscribe to give our members full access.

- **18,858 artistic works listed (2021: 18,777)**
- **12,992 items of sheet music available through member-to-member exchange (2021: 13,243)**
- **5,698 programme notes available free (2021: 5,693)**
- **23,752 Music Bank webpages viewed (2021: 10,718)**

Our previously annually published Selected Artists Guide details artists available with subsidies for engagements with leisure-time music groups. The 2020 guide remains valid until it becomes the online Recommended Artists Database on our new website in January 2024.

Events: in 2022, we continued to deliver almost all our events online, involving a high number of members. We ran the annual general meeting, our awards ceremony, a Making Music (consultative) Council, general member meet-ups, separate meet-ups in each UK nation, expert/speaker-led events, and events focussed on specific topics, with high attendance and incredibly positive feedback. We reduced the number of events, as numbers dropped off when people started returning to in person activity and offices/work.

	Info & Advice events	General meetups (incl. nation specific)	Guest speaker events	Other events	All events
No. of events	29 (49)	17 (28)	9 (10)	10 (6)	65 (93)
Total number of event attendees	989	422	660	288	2359 (4159)
Unique attendees	802	330	591	271	1626* (2319)
First-time attendees	396	95	289	97	877 (1484)
Number of unique groups represented at events	664	305	519	n/a	1217* (n/a)

*unique attendees/groups represented overall is not a sum of the numbers in the row, as some were unique at several types of events, but then were only counted once in the end column

- **63 online/2 in person events for 2,359 attendees (2021: 91 online/2 in person events for 4159 attendees)**

“ Thank you for organising and chairing the gospel event today - utterly inspirational. I sing in choirs and train choirs - always like to tap into new ideas, styles and to learn from other equally enthusiastic singing people! ”

Making Music member

We benefitted 2.2% (2021: 2.2%) more groups:

- **3,266 full members (2021: 3,196)**
- **323 associate members (2021: 302)**
- **427 affiliate members (2021: 415)**
- **TOTAL 4,016 (2021: 3,913)**

This breaks down as supporting:

- **2,181 singing groups - 55% of members (2021: 2,138; 54%)**
- **1,432 instrumental groups - 35% of members (2021: 1,371; 36%)**
- **403 promoters - 10% of members (2021: 404; 10%)**

Groups by annual income bracket (previous year):

- **Less than £7.2k: 65% (52%) (compared to 46% pre-pandemic)**
- **£7.2k-14.5k: 18% (23%)**
- **14.5k-£21k: 7% (10%)**
- **£21k-£31k: 4% (7%)**
- **£31k-£100k 5% (7%)**
- **More than £100k: 2% (2%)**

As groups pay subscription according to income bracket, and this income bracket refers to their previously published accounts, the impact on Making Music of the Covid standstill in activity in 2020/2021 is a delayed one and is most strongly reflected in these 2022 statistics. Renewals for 2023 membership show a strong improvement, i.e. members' income brackets increasing again, though not yet a full return to pre-Covid levels of their income.

2. Supporting leisure-time music / supporting members

Stand up for Making Music groups, their members, and others coming together to make or present music in their leisure time across the UK

Since Covid, this strand of our activity has become a more significant part of our activity. We realised that as well as looking to us to make their voice heard by policy makers, leisure-time music groups were asking us for the tools they needed to advocate for themselves and their activity: how should they go about it, and did we have the relevant data and evidence for them to use?

This formed part of a successful application to the Esmée Fairbairn Foundation: empowering the people in our groups to influence. As part of that, as a first step in 2022 we held an online public speaker event about Influencing Locally (21 attendees) and produced resources to help groups understand the mechanisms of local government and how to interact with it. We will be developing this strand over the three years of funding.

It was also time to consult members, other stakeholders and our contacts across the sector in preparation of our next **five-year plan**, to start from January 2023. Surveys, focus groups and team and Board away days brought to the surface the priorities to focus on from 2023 to 2027 and the plan will be published in 2023.

It was also informed by our **Big Survey** (formerly Treasurers Survey) which we carried out in the autumn of 2022 for the first time since 2016, giving us valuable data on our members and the leisure-time music sector, with 913 (23%, excellent confidence level of 3%) of 4,000 members responding. The full report will be published in 2023.

1. Covid still formed part of the story

Restrictions were lifted from January 2022, but actually the last remnants lingered until April (Scotland), and groups were also significantly still battling Covid legacies: perhaps fewer members, perhaps members still fearful of returning to activity, perhaps difficulties in regaining the confidence and musical level they had pre-Covid, and in addition starting to be affected by the cost of living crisis: energy cost rises and inflation have mainly meant that their spaces and venues have become more expensive whilst at the same time their own participants' purchasing power decreased: financially, a difficult place to be.

However, in the latter part of the year it was clear that in terms of energy and enthusiasm the majority of groups were bouncing back to pre-Covid levels of activity and performances.

2. Non-Covid challenges definitely were the prominent strand of the story

The campaign by the Association of British Orchestras and others, supported by Making Music, led to the increased **Orchestra Tax Relief** introduced in the autumn 2021 budget being extended again in the March 2023 budget, until April 2025, significantly supporting member activity. During 2022, Making Music passed the milestone of having helped members claim £0.5 million through this creative tax relief. Making Music also started piloting the introduction of a similar service for Theatre Tax Relief.

Music libraries: (provision of multiple copies of sheet music via the public library system) Where public libraries were struggling pre-Covid, for financial reasons, this has not improved post-Covid. However, the ***New Surrey Performing Arts Library (NewSPAL)*** which Making Music has been supporting as an innovative new model finally managed to open its doors to the public in September, five years after a campaign was launched to prevent the closure or dispersal of this collection, one of the three largest in the UK.

Music Libraries Trust (MLT) in collaboration with Making Music and the International Association of Music Librarians - UK and Ireland Branch published a ***Music Libraries Vision*** which has made recommendations to help take the national/UK wide discussion further in terms of coordination of resources and online access to them.

PRS for Music resumed their consultation on the Live Classical Tariff which had been paused due to Covid. Making Music was delighted that the organisation listened to the submissions from us and our members as to the particular needs of the leisure-time music sector and in February 2023 announced that amateur groups would be eligible for a 50% discount on the professional royalty rates.

Music education saw the publication in England of the second version of the National Plan for Music Education; and in Wales the publication of the first of such plans. Making Music met with or submitted information to those creating and re-writing those plans, to ensure adult community music was considered as a progression route for young people, as well as making a submission to Professor Hayward's Independent Review of Qualifications and Assessment (Scotland), arguing for the recognition of community music activity as part of a young person's school qualifications.

We also attended a (Westminster) All Party Parliamentary Group on music education and one on adult education and remained part of the Music Education Council (UK wide) and the Music Education Partnership Group (Scotland) and took part in a round table hosted by ABRSM on potential qualifications for adults and ensembles. One of our public speaker events was on ***Music education for under-18s and adult leisure-time music*** (110 attendees), seeking to help members and policy makers connect the dots on this issue.

Consultations:

Levelling Up for Culture inquiry by the DCMS Select Committee; Making Music consulted with members and submitted a response with a significant number of case studies included. The final report, however, seems a missed opportunity to consider the role that leisure-time music in the community could play in the government's levelling up agenda, despite us and several other networks putting forward strong arguments. This is disappointing because our members' ability to thrive depends strongly on local infrastructure; recognition at a UK level would help make that case to local authorities for keeping infrastructure intact or developing it in order to benefit from the positive impacts of community music activity in their area. Responded to the Scottish inquiry ***Budget scrutiny 2023-24 Funding for culture***.

Following a link-up with the **Local Government Association** we were invited to contribute to their ***Commission on Culture and Local Government*** whose final report is a useful piece of evidence to show the impact of community activity and how our members and the leisure-time music sector contribute to local areas.

We continued to notice that **performance venues and spaces for regular musical activity** (e.g. rehearsals) were increasingly an issue for the sector and so started preparatory work for a major piece of work and campaign from 2023 onwards, including meeting with Community Matters, the network supporting urban community halls, and Creative Lives who are also working on this issue, carrying out a small-scale in-depth survey with members in one area, and including a number of questions on this topic in our Big Survey (autumn 2022).

3. Advocacy, networking, representation

Speaker-led public events

We continued this highly successful series of events, which are available to anyone (including non-members) and held on Zoom, featuring experts on a particular topic and allowing 30-45 minutes for audience questions, meaning attendees generally are able to have access to experts for their particular queries.

Topics for 2022 were:

- **Programming women composers** with musicologist Elizabeth de Brito; Helen Sanderson, Head of Guitar Performance at the Royal Welsh College of Music and Drama and leader of the National Youth Guitar Ensemble and trustee of the F-list for Music; soprano Gabriella Di Laccio, found of charity Donne, Women in Music; Tom Farncombe, Business Development Director Hal Leonard Europe; and Sharon Moloney, conductor of flute choir Opal Flutes (130 attendees)
- **Commissioning the future** with composers Jenni Pinnock and Ella Jarman-Pinto, Dan Goren (Composers Edition) and Lizann Peppard of London Oriana Choir (32 attendees)
- **2 Climate change networks** (55 attendees); panel 1 comprised composer and songwriter Ellie Wyatt (Music Declares Emergency); pianist and performer Sarah Nicolls; international choral database Musica International; panel 2 included SAIL (Sustainable Arts in Leeds); and conductor Tom Newall on a new climate oratorio.
- **The challenges of recruiting and retaining volunteers** (81 attendees) with Holly Lombardo, Director, National Rural Touring Forum; Robin Simpson, Chief Executive, Creative Lives; Sue Torres, founder and director, Wicked Events, and Richard Boardman, Research and Development Manager at the Sport and Recreation Alliance.
- **Social Prescribing** (185 attendees) with Baz Chapman (Singing for Health Network) and a local social prescriber. Making Music has partnered with Singing for Health on adapting their resources for all music groups with an interest in engaging with social prescribing. We are also working with charity 2makeit on brokering one to one connections between referred persons and music groups, in order to learn what the barriers and challenges may be on both sides.
- **Find out about gospel** with Audrey Gray from the Gospel Music Industries Alliance and Karen Gibson, leader of the Kingdom Choir. (45 attendees)
- **Q&A event with Dawn Bowden, Welsh Deputy Minister** (13 attendees)

Singing Network UK, hosted and convened by Making Music, is a free network of over 30 UK umbrella organisations with an interest in singing. It met three times via Zoom during 2022, with invited speakers covering topics including:

- Royal Schools for Church Music's Jubilee Anthem project
- Social prescribing resources
- Contemporary Music for All's vocal repertoire and festival
- Gabrieli Consort's Roar project
- Peterborough Sings' research into equal voice choirs
- Musica International on their international choral music database
- Dr Kathleen Cronie's research into choir leadership and inclusive choirs
- Music Teachers Board awards
- Natural Voice Network's training on including non-binary voices in choirs
- Potential international events to be hosted in the UK

Events we spoke at/publications on behalf of members and the sector during 2022:

- Sing Ireland event about re-opening after Covid
- Interviewed for a dissertation on The Effects of Orchestral Learning and Participation Programmes on Lifelong Participation in Music
- Wrote about arts ‘cold spots’ for Arts Professional magazine
- Wrote to Baroness (Deborah) Bull on appointment as Chair of the Expert Advisory Panel on the Cultural Education Plan
- Spoke on a panel at the Jazz Promotion Network conference in Belfast
- Hosted session on inclusion at Comfort of Voices event for choir leaders in Scotland
- Spoke at round table hosted by Sarah Boyack MSP
- Spoke at Do the arts matter in Stormont? pre-election event in Northern Ireland
- Hosted session on inclusion for Amateo, the European Network

Events we attended on behalf of members and the sector during 2022:

- National Music Council/Music Network UK round tables
- Creative Lives: various events (Wales, Scotland, England, Republic of Ireland)
- What Next? advocacy network meetings (UK; Wales/Cardiff)
- Culture Counts meetings (Scotland)
- German round table meetings on amateur music hosted by a member of parliament
- Donne|Women in Music launch of new research into programming of female and diverse composers in orchestras from around the world
- Social Power Network Scotland
- Scottish Classical Sustainability Group
- Royal Schools of Church Music reception in the House of Lords hosted by Lord Clement-Jones
- Association of British Orchestras AGM; Scottish Members Group
- Cross party group meetings in Scottish parliament (Music; Culture and Communities)
- Senedd cross party group on Music
- National Eisteddfod, Wales
- Luminate 10th anniversary reception in Scottish parliament

Organisations/policy makers we met with on behalf of members and the sector in 2022:

- | | |
|---|---|
| • Dementia Inclusive Singing Network | • Music Industries Association |
| • Jazz Promotion Network | • ABRSM |
| • Economy Minister (Wales) | • Sound Connections |
| • Deputy head of arts from the Department of Communities (Northern Ireland) | • Youth Music |
| • Cardiff City Council | • Association of British Choral Directors |
| • Ty Cerdd | • English Folk Dance and Song Society |
| • Dewys Cymru | • Brass Bands England |
| • Musicians Union | • Music for Youth |
| • Music Mark | • PRS Foundation |
| • PRS for Music | • Creative Scotland |
| • Gospel Music Industries Alliance | • Arts Council Wales |
| • Sing Ireland | • Arts Council England |
| • Classic FM | • Royal Conservatoire of Scotland |

Formulated 3 asks for the local elections in England, Wales and Scotland, and local and NI Executive elections in Northern Ireland, for members to discuss with prospective candidates, focussing on spaces (suitable, affordable, for regular musical activity and performance), support (transport, licensing, music libraries etc.) and recognition (of benefits and impact of leisure-time music), with accompanying visual material to display or hand out.

Were on the judges' panels for Creative Lives' Wales awards; Royal Philharmonic Society's Inspiration Award

Amateo, the European Network for active participation in cultural activities. Our CEO continues as Treasurer on the Board of this network and presented a provocation, on listening to communities, at their annual conference in Dublin
Music Libraries Trust, our CEO continues on the Board of this charity

Celebrate Making Music groups, their members, and others coming together to make or present music in their leisure time across the UK

Promoted leisure-time music groups via our online Find a Group tool, our Events calendar, our communications, including Highnotes magazine, iNotes e-newsletter, Selected Artists Guide, PR, social media (Twitter, Facebook and Instagram).

- **3 editions of Highnotes (2021: 3)**
- **12 editions of iNotes (2021: 12)**
- **10 press releases (2021: 9)**
- **21,382 followers on Twitter (2021: 21,069)**
- **2,792 followers on Instagram (2021: 2,407)**
- **21,382 Facebook page followers (2021: 19,115)**
- **1,769 subscribers to YouTube channel (2021: 1,636)**

Offered **performance opportunities** to groups, e.g. on Make Music Day (21 June annually), to highlight the achievements and offer of leisure-time music groups to a wider public, locally, nationally and internationally.

Make Music Day (21 June). Making Music instigated or curated events for members to perform at took place in Enniskillen, Wrexham, Glasgow and London. We contributed to the UK segment of the worldwide 12 hour broadcast coordinated by the Make Music Day UK team. Making Music CEO Barbara Eifler continues to chair the Board of Make Music Day UK.

Developed **broadcast opportunities**, e.g. Classic FM annual broadcast of carols by Making Music groups; BBC Radio 3 broadcast of Adopt a Music Creator project new pieces, including interviews, to raise the profile of groups and the sector.

- **5 groups featured on Classic FM Drivetime in December 2022 (2021: 5)**
- **8 groups featured on BBC Radio 3 as part of Adopt a Music Creator project, 5 in Jan 2022 and 3 in Oct 2022 (none during 2021, Jan 2020: 6)**
- **7 groups (3 members) winners of the Classic FM Big Platinum Performance**

We continued with the awards started in 2020, our President, Debbie Wiseman OBE, announcing winners and presenting the awards in an online award ceremony.

The 2022 winners were:

- **Best Music Creator:** Nathan James Dearden - *i breathe*, for National Youth Choirs of Great Britain
- **Best Arranger:** Michael Betteridge - *Urge for Going*, for The Sunday Boys
- **Best Project with New Music:** The Sunday Boys, commissioned and performed three works by LGBTQ+ composers as part of the inaugural Corridor of Light Festival in Manchester
- **Best group Music Director:** Chris Parsons, Bury St Edmunds Friendly Orchestra
- **Group Hero (People's Vote):** Bradford Festival Choral Society team (Alice Phelps, Fran Wyburn, Thomas Leech, Christopher Pulleyn, Pariss Joseph, James Hamilton), Bradford Festival Choral Society

We contributed nominations to the *Royal Philharmonic Society's new Inspiration Award* and sat on the judging panel to shortlist.

We re-appointed *Debbie Wiseman OBE as President*.

3. Supporting leisure time music / supporting members

Invite and welcome all kinds of music groups to become part of the Making Music community

What we did in 2022

Our Equality, Diversity and Inclusion work developed significantly during 2022. Once again we updated our EDI Plan, and focussed work on three parts to this work:

- Inclusion of diverse voices at Making Music as an organisation: staff and volunteers (including trustees); we built a new way of recruiting staff which is task-based, not relying on previous qualifications and experience; devised an online survey to help us benchmark the demographics of applicants; wrote an Inclusive Work Culture policy and Learning Culture policy. Plans to accompany these to be published in 2023
- Extending our offer and how and where we articulate it to a wider range of leisure-time music groups; this is about services and resources, and about language and imagery; this strand focussed on our preparatory work for a new website
- Helping our members remove barriers to participation and attendance in their group, so that they are able to retain their participants for longer, recruit new ones and extend the welcome to their public events further into their communities; in 2022 we continued with our general Access & Inclusion events for members; published a number of new resources; started a series of 'In Conversation....' events, bringing members together with people of different lived experiences; and gained funding from the Esmée Fairbairn Foundation and Arts Council England to deepen and widen this work in 2023

Plans for future periods

Specific plans and focus for 2023

- We will develop a new website (anticipated launch now January 2024) in order to:
 - enable our members to access all our services and resources digitally 24/7
 - make it easier for members of the public to find a group or find an event near them, to encourage more and different people to actively engage with music
 - facilitate access to statistics and research on leisure-time music and its significance to individuals and communities to policy makers, media and others
- We will continue and expand our work on becoming an inclusive organisation and supporting our member groups to dismantle barriers for existing and potential participants and audiences
- We will give our members the tools and information to advocate on their own behalf, especially with local policy makers; and including materials to help them talk to election candidates (the three asks)
- Making Music will focus its own lobbying on building a campaign to improve the availability of spaces for regular music activity
- We will publish our new 5 year plan; and a full report on the results of our Big Survey
- We will help members rebuild and grow their income post-Covid and to be able to withstand the cost of living crisis
- We will more strongly encourage take-up of MM Platform to enable groups to run themselves efficiently and promote themselves better to new and more people, now we have a dedicated staff resource to support this, thanks to Esmée Fairbairn Foundation funding
- We will continue to support groups to claim Orchestra Tax Relief, and encourage more groups to take advantage of it, introducing Theatre Tax Relief also.

Financial review

Financial result for 2022

Once again, we have withstood a difficult year. Although total net expenditure of £71,534 (2021: £22,937) demonstrates a further year of falling reserves, this reflects planned spending of restricted and designated funds and masks another successful, minimal call on unrestricted general funds. While total reserves fell by 9% this year, free reserves fell by less than 2%. This has allowed us to remain within our reserves policy of retaining unrestricted general funds equivalent to 3 to 6 months' unrestricted expenditure.

Total income of £702,779 (2021: £721,305; 2020: £759,403) included membership subscription income of £450,454 (2021: £456,062; 2020: £500,099). Our member subscriptions are based on the income of our members during the preceding year, so this was the second year that our income was affected by our members' restricted ability to earn income from concerts, events and subscriptions during the Covid-19 lockdowns of 2020 and 2021.

Although we have successfully retained and grown our membership over the course of the pandemic, with year-on-year growth of 2.6% (2021: 2.3%) many of our members continued to renew at our lowest subscription rate. This meant for a second year, we supported more

members but with reduced income. Despite implementing strategies to target new members, it proved difficult to increase market penetration above the norm achieved in the years preceding the pandemic.

The shortfall in subscription income this year was bridged by income from paid member services and a successful three-year application for unrestricted funding from the Esmée Fairbairn Foundation (EFF), starting August 2022.

Total expenditure for the year was £770,619 (2021: £761,166; 2020: £766,513). Inflationary pressures meant it was impossible to continue the rigid cost control we had applied in 2021. Our staff team is our most valuable asset and, as the cost of living increased, it was imperative to review staff salaries which had been frozen since 2019. In early 2022, the Board approved a new remuneration policy and awarded staff a pay increase delivered in two stages from April and September 2022. The EFF grant funded the recruitment of two new part-time posts in Autumn 2022 to relieve staff pressure and support increasing demand for our member services.

Consolidated cash balances of £1,312,444 at 31 December 2022 (2021: £1,378,263) include deferred membership subscription income collected for 2023 and insurance premiums and PRS fees collected from members to be paid over to third parties in early 2023. Net current assets of £606,194 (2021: £665,947) provide a more accurate picture of working capital.

The trading subsidiary, NFMS Enterprises Limited, generated a profit of £12,324 (2021: £7,013) which was donated to the charity under covenant.

Reserves Position

Total funds held at the end of the year were £753,537 (2021: £825,071), the reduction reflecting planned expenditure of restricted and designated funds.

Of these funds, £325,275 (2021: £329,264) were held in a permanent endowment fund and £108,952 (2021: £131,967) were held in funds for restricted purposes.

Unrestricted funds of £319,310 (2021: £363,840) included £49,445 (2021: £80,722) held in designated funds to spend on projects in 2023 and 2024, including £42,545 towards the development of a new website and digital delivery portal.

The remaining unrestricted general funds of £269,865 (2021: £283,118) include £11,533 (2021: £19,620) which can only be realised by disposing of fixed assets. This leaves free reserves of £258,332 (2021: £263,498), an annual fall of less than 2%.

Reserves Policy

It is the policy of the charity to maintain adequate reserves to cover between 3 and 6 months of unrestricted expenditure, in normal circumstances. This target has been set because the charity has a high committed cost base. Staff costs account for approximately 60% of expenditure, with our staff team vital to providing services paid for in advance by our members. The second largest cost is office rent, with a five-year lease commitment remaining until 2025.

Unrestricted funds at 31 December 2022 were £319,310 (2021: £363,840). After deducting designated funds and fixed assets, the remaining free reserves of £258,332 (2021: £263,498) represent 4.9 months' (2021: 5.9 months') of unrestricted expenditure, excluding depreciation (based on current year figures) which is within the parameters of the reserves policy.

Investment Policy

The Board reviewed its Investment Policy during the year, finalising and approving a new policy in February 2023. The policy recognises two distinct pools of funds available for investment:

- An operating fund comprising surplus unrestricted and restricted funds. The purpose of this fund is to provide sufficient cash to meet the day-to-day financial obligations of the charity. The investment objectives include capital preservation and liquidity which limit the risk appetite for these funds. Funds are held in a mixture of current, short-term and medium-term bank deposits.
- A Permanent Endowment Fund comprising the capital of the Philip & Dorothy Green legacy for young musicians. The fund must balance returns to maintain the capital value of the endowment in perpetuity while providing income for subsidies, grants and awards within the purposes of the endowment. A diversified approach, using a pooled multi-asset fund helps mitigate the risk of volatility and exposure to one sector. At 31 December 2022, this fund was held in a mixture of short and medium-term bank deposits and the CAF Equitrack Fund.

The capital value of the CAF Equitrack Fund decreased by £3,694 this year to £135,810, (2021: an increase of £16,924 to £139,504). The capital value represents an increase of 13% in the amount originally invested (most recent addition in 2016). Investment income earned by the fund in the year was £4,523 (2021: £4,082).

Since the end of the year, the Board has been notified that the CAF Equitrack Fund will close in April 2023 and has decided to reinvest funds in the IFSL CAF ESG Income and Growth Fund to ensure consistency with the charity's ethical policies and values.

Going Concern and the Financial Impact of Covid-19

Despite a further fall in income this year, we have carefully managed our free reserves and retained our dedicated staff team to support an increasing number of member groups during the year.

We have drawn minimally from our unrestricted free reserves. Our financial forecasts for 2023 and 2024 expect to see a return to unrestricted net income.

Since the end of the financial year, membership retention for 2023 has remained steady with 95% of member groups renewing their subscription (2022: 95%). This reflects the resilience of our member groups and the value they place on their membership of Making Music.

However, 54% of members still renewed at the lowest subscription rate for 2023, an improvement compared to 64% for 2022, but not yet returning to 46% for 2020. This reflects the ongoing impact of the pandemic on our members' income. As total memberships exceeded 4,000 for the first time in 2022, we will be supporting more members but with significantly reduced income.

We are fortunate the timing of membership renewals and other income streams is heavily weighted to the first quarter of the year. By 31 March 2023, 88% of forecast income for 2023 had been earned, allowing us to make effective financial plans for the rest of the year.

At the date of approving the report and accounts, the Board believes there are no material uncertainties about the charity's ability to continue as a going concern and the financial statements are prepared on a going concern basis.

The Board's Finance & Compliance committee continues to monitor the developing economic situation, reviewing management accounts and reforecasts for 2023 and draft budgets for future years on a regular basis.

Other Principal Risks and Uncertainties

The Board has carried out a review of the major risks to which the charity is exposed and has put in place controls and activities to mitigate those risks which are within their control to influence.

Risk	Impact x Likelihood	Mitigation
Loss of group membership	5 x 3 = 15 (medium)	<ul style="list-style-type: none"> - Listen to sector on needs and deliver accordingly - Maintain & develop services and deliver them effectively - Focus on retention and recruitment - Support & development of staff team
Lack of financial sustainability	5 x 3 = 15 (medium)	<ul style="list-style-type: none"> - Prioritise member recruitment & retention - Develop earned income in our control - Help members maximise their income - External funding raised - Contain costs & keep reserves under review - Option to borrow from Endowment Fund from Spring 23
Weak governance	4 x 3 = 12 (medium)	<ul style="list-style-type: none"> - Ensure vision, mission, objectives and plan clear to Board, staff and members - Invest time and care in Board communications, development, induction & skills balance - Policies, procedures & processes in place with compliance oversight & training for staff, Board and volunteers - Keep abreast of regulatory changes and best practice - Seek professional advice where appropriate - Biannual review of risk assessment - Constitution amended to increase co-opted Board members
Infrastructure / Resources failure	5 x 3 = 15 (medium)	<ul style="list-style-type: none"> - Strong focus especially on up-to-date and fit for purpose IT infrastructure - Strong focus on cyber security and secure data management training and processes - Appropriate insurance policies - Best practice HR management, focusing on support and development of staff - Funding secured to add to staff capacity - Annual pay review, staff engagement survey, flexible/hybrid working arrangements
Reputational damage	3 x 2 = 6 (low)	<ul style="list-style-type: none"> - External representation guidelines for staff and Board - Emergency media plan in place - Communicating regularly within sector to foster understanding - Careful consideration of lobbying, advocacy & campaigning - Timely & appropriate response to public comments
Negative impact of environment	4 x 3 = 12 (medium)	<ul style="list-style-type: none"> - Regular and systematic monitoring of external environment for potential threats - Regular management meetings to evaluate and respond to changing circumstances - Addressing potential threats through proactive joint action with others - Supporting members to recognise and respond to threats

Structure, governance and management

Making Music is the trading name of the National Federation of Music Societies (NFMS). Its governing documents are its Memorandum and Articles of Association. At the Extraordinary General Meeting on 7 September 2022, these were updated to the new format Articles of Association and changes approved by members to the number of terms trustees could serve, and some other modernising alterations.

As well as being a registered charity in England and Wales, Making Music (NFMS) is a registered charity in Scotland and is a company limited by guarantee.

Making Music's Board of Directors is made up of 9 trustees elected by and from the membership and up to 5 trustees co-opted by the Board of Directors. The Chair, Vice Chair and Honorary Treasurer are elected by the Board from among their number and can serve in their role for up to two terms of three years each. Co-opted trustees can serve one term of three years each.

Every year, a third of elected trustees retire. Retiring trustees can put themselves forward again for election for a maximum two terms of three years each. A call is put out to members for nominations and when there are more nominations than vacancies, an election is held (this is usually the case), with the result announced at the Annual General Meeting.

When a new trustee is appointed or co-opted, they receive a full day induction from the Chief Executive and Chair, including on procedures, policies, strategy, and have an opportunity to meet all the staff of the charity.

Organisation

Overall responsibility for the Charity's strategy and direction rests with the Board of Trustees, which comprises all Directors. The carrying out of day-to-day activities is delegated to the staff under the management of the Chief Executive and Senior Management Team.

A remuneration committee of the Board sets the pay structure for all staff.

Subsidiaries

The charity has a trading subsidiary, NFMS Enterprises Ltd, whose accounts are reported separately and are consolidated into these accounts.



Music creator Carmel Smickersgill leading an Adopt a Music Creator recording session with Junior Leeds College of Music Ensemble Creative



Keswick Choral Society

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and accounts in accordance with applicable law and regulations.

The Trustees are the company's Directors. Company law requires the Directors to prepare accounts for each financial year. Under that law they have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

In accordance with company law, the trustees, as the company's Directors, certify that:

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

This report was approved by the Board on 22 May 2023.

By order of the Board

Clare Birks
Vice Chair and Treasurer

Opinion

We have audited the financial statements of National Federation of Music Societies (“the parent charitable company”) and its subsidiary (together “the group” for the year ended 31 December 2022, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Statement of Cash Flows, and the notes to the financial statements, 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 group's and the parent charitable company's affairs as at 31 December 2022 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

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.

Opinions 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, which includes the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within 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 the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees (who are also the directors of the parent 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 parent 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory framework applicable to the preparation of the financial statements of the group, and the procedures that management adopt to ensure compliance. We have considered the extent to which non-compliance might have a material effect on the financial statements, and in particular we identified: [the Companies Act 2006, the Charities Act 2011, Charities SORP, Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

We have also identified other laws and regulations that do not have a direct effect on the amounts or disclosures within the financial statements, but for which compliance is fundamental to the group's operations and to avoid material penalties, including GDPR, employment law, and health and safety regulations.

Having reviewed the laws and regulations applicable to the group, we designed and performed audit procedures to obtain sufficient appropriate audit evidence. Specifically, we:

- Selected a team with sector experience to perform the audit;
- Obtained and reviewed internal policy and procedure documents;
- Made enquiries of management and the trustees regarding whether they were aware of any actual or suspected incidences of non-compliance with the laws and regulations;
- Obtained and reviewed meeting minutes;
- Obtained and reviewed correspondence with the regulator;
- Reviewed legal expenses accounts for indications of any possible non-compliance; and
- Reviewed the completeness and accuracy of any disclosures made in the financial statements.

We assessed the susceptibility of the group's financial statements to material misstatement, including considering how fraud might occur. This was performed by:

- Making an assessment of the group's systems and controls, including identifying any weaknesses and considering the risk of management override of controls;
- Assessing the susceptibility of the group's financial statements to material misstatements, including considering how fraud could occur;
- Considering if there are any incentives or opportunities for management to manipulate financial results;
- Obtaining and evaluating the trustees' assessment of the risk of fraud, and enquiring as to whether they were aware of any actual or suspected fraud;
- Reviewing the accounting policies and accounting estimates for signs of management bias; and
- Identifying key risks relating to irregularities as relating to management override of controls, the completeness of income and deferred income in relation to membership subscriptions, and the judgements used in accounting for the new website costs.

We then designed audit procedures in response to the risks identified, including reviewing journal entries, assessing management estimates and judgements, performing substantive analytical review supported by testing of underlying controls for income and deferred income, and corroborating the website costs accounting treatment to underlying documentation.

The audit has been planned and performed in accordance with auditing standards, however, because of the inherent limitations of audit procedures there remains a risk that we will not detect all irregularities, including those that may lead to material misstatements in the financial statements. There are inherent difficulties in detecting irregularities, and irregularities that result from fraud may be more difficult to detect than irregularities that result from error, for example due to concealment, override of controls, collusion or misrepresentations. In addition, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less audit procedures are able to identify it.



A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the parent charitable company's members and trustees those matters we are required to state to them in an auditor's 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 parent charitable company, the parent charitable company's members as a body and the parent charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A S Healey FCA CTA DChA (Senior Statutory Auditor)

For and on behalf of:

Lindeyer Francis Ferguson Limited

Statutory Auditor

Chartered Accountants

North House

198 High Street

Tonbridge

Kent TN9 1BE

Date: 31 May 2023



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2022	2022	2022	2021
		<i>Unrestricted</i>	<i>Restricted</i>	<i>Endowment</i>	<i>Total</i>	<i>Total</i>
	Note	£	£	£	£	£
Income from:						
Donations and legacies	3	39,829	73,369	-	113,198	165,617
Charitable activities	4	535,601	-	-	535,601	518,984
Other trading activities	5	39,555	-	-	39,555	29,327
Interest and dividends		5,845	8,580	-	14,425	7,377
Total		620,830	81,949	-	702,779	721,305
Expenditure on:						
Raising funds	6	16,085	-	-	16,085	13,743
Charitable activities	7	649,275	104,964	295	754,534	747,423
Total		665,360	104,964	295	770,619	761,166
Net (losses)/gains on investments	12	-	-	(3,694)	(3,694)	16,924
Net expenditure for the year	8	(44,530)	(23,015)	(3,989)	(71,534)	(22,937)
Transfers between funds		-	-	-	-	-
Net movement in funds		(44,530)	(23,015)	(3,989)	(71,534)	(22,937)
Reconciliation of funds:						
Total funds brought forward		363,840	131,967	329,264	825,071	848,008
Total funds carried forward	15	319,310	108,952	325,275	753,537	825,071



CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Intangible assets	10		-		-
Tangible assets	11		11,533		19,620
Investments	12		135,810		139,504
			<u>147,343</u>		<u>159,124</u>
Current assets					
Debtors	13	190,957		84,053	
Cash at bank and in hand		1,312,444		1,378,263	
		<u>1,503,401</u>		<u>1,462,316</u>	
Creditors: amounts falling due within one year	14	<u>(897,207)</u>		<u>(796,369)</u>	
Net current assets			606,194		665,947
Total net assets			<u>753,537</u>		<u>825,071</u>
The funds of the charity:					
Endowment funds			325,275		329,264
Restricted funds			108,952		131,967
Unrestricted funds			319,310		363,840
	15		<u>753,537</u>		<u>825,071</u>

The financial statements were approved by the Board of Trustees on 22 May 2023 and were signed on its behalf by:

Clare Birks
Trustee



CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Intangible assets	10		-		-
Tangible assets	11		11,533		19,620
Investments	12		135,814		139,508
			<u>147,347</u>		<u>159,128</u>
Current assets					
Debtors	13	223,761		88,248	
Cash at bank and in hand		1,277,141		1,373,062	
		<u>1,500,902</u>		<u>1,461,310</u>	
Creditors: amounts falling due within one year	14	(894,712)		(795,367)	
Net current assets			606,190		665,943
Total net assets			<u>753,537</u>		<u>825,071</u>
The funds of the charity:					
Endowment funds			325,275		329,264
Restricted funds			108,952		131,967
Unrestricted funds			319,310		363,840
	15		<u>753,537</u>		<u>825,071</u>

The financial statements were approved by the Board of Trustees on 22 May 2023 and were signed on its behalf by:

Clare Birks
Trustee

Company number: 308632



CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Cash flows from operating activities:			
Net cash (used in) operating activities	A	(78,704)	(41,443)
Cash flows from investing activities:			
Dividends and interest from investments		14,425	7,377
Proceeds from sale of piano		-	16,667
Purchase of tangible fixed assets		(1,540)	(8,093)
Net cash provided by / (used in) investing activities		12,885	15,951
Change in cash and cash equivalents in the year		(65,819)	(25,492)
Cash and cash equivalents at the beginning of the year		1,378,263	1,403,755
Cash and cash equivalents at the end of the year		1,312,444	1,378,263
A. Reconciliation of net income / (expenditure) to net cash flow from operating activities			
Net (expenditure) for the year		(71,534)	(22,937)
Depreciation and amortisation charges		9,627	14,896
Losses/(gains) on investments		3,694	(16,924)
Dividends and interest from investments		(14,425)	(7,377)
(Gains) on sale of fixed assets		-	(2,867)
(Increase)/decrease in debtors		(106,904)	31,390
Increase/(decrease) in creditors		100,838	(37,624)
Net cash (used in) operating activities		(78,704)	(41,443)



1 ACCOUNTING POLICIES

Accounting convention

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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Making Music 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).

There are no material uncertainties about the charity's ability to continue, and so the going concern basis of accounting has been adopted.

The financial statements are presented in pounds sterling and rounded to the nearest pound.

Basis of consolidation

The consolidated financial statements incorporate those of Making Music and its wholly owned subsidiary undertaking, NFMS Enterprises Limited. All intra-group transactions and balances are eliminated on consolidation.

Going concern

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

Income

Income from donations and grants is recognised when the charity is entitled to the funds, the receipt is probable and the amount can be measured reliably. For donations, this is usually on receipt. For grants, this is usually when a formal offer is made in writing, unless the grant contains terms and conditions outside of the charity's control which must be met before the charity is entitled to the funds. Where grants are received in response to a proposal including a budgeted timescale, such that the timescale for the expenditure is implicit in the grant agreement, the income is recognised in accordance with that timescale.

Income from legacies is recognised when there has been a grant of probate, the executors have established that there are sufficient assets in the estate to pay the legacy, and any conditions attached are within the control of the charity or have already been met.

Income from charitable activities is recognised over the period to which the income relates. Membership subscriptions are recognised on a straight line basis over the term of the subscription.

Gifts in kind are only included in the financial statements when the charity is entitled to them, when it is probable that the charity will receive the economic benefits, and when the fair value or value to the charity, as appropriate, can be measured with sufficient reliability.

Investment income is recognised when receivable. Interest is accounted for as accrued income where it is due but has not yet been credited.



1 ACCOUNTING POLICIES continued

Expenditure

Expenditure is recognised when a present legal or constructive obligation exists at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be estimated reliably.

Grants payable are recognised when a commitment has been communicated to the beneficiary.

Staff costs have been allocated to expenditure headings on the basis of an estimate of the amount of time spent by staff members in each area.

Support costs have been allocated to charitable activities on the basis of direct staff costs.

Support costs are those functions that assist the work of the charity but do not directly relate to the charitable activities, and include governance costs.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for the particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The permanent endowment fund relates to a legacy from Philip & Dorothy Green for young musicians. The net income is transferred to a separate restricted fund.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated realisable value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	7-33% on the reducing balance basis
Computers and website	33% on the straight line basis
Piano	8% on the straight line basis

Assets costing less than £500 are not capitalised but are recognised as expenditure in the Statement of Financial Activities in the year incurred.

Intangible fixed assets and amortisation

Intangible fixed assets are recognised when it is probable that future economic benefits will be realised and the cost or value of development can be measured reliably. They are stated at cost less amortisation. The cost of the asset comprises its purchase price and directly attributable costs of preparing the asset for its intended use. This includes employee costs arising from the generation of the intangible asset. Expenditure on research is expensed. Completed assets are amortised over their useful economic life.

Music catalogue copyright licences	5% on the straight line basis
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Investments

Listed investments are stated at fair value. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the Statement of Financial Activities.

Investments in subsidiary undertakings are stated at the lower of cost and net realisable value.



1 ACCOUNTING POLICIES continued

Financial instruments

Other than listed investments, the charity only has financial instruments of a kind that qualify as basic financial instruments. Short term basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period to which the entitlement relates.

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

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

2 STATUS

Making Music is a charitable company limited by guarantee incorporated in England and Wales. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is 8 Holyrood Street, London SE1 2EL.

3 INCOME FROM DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	23,892	25,420
Grants	89,209	134,625
Legacies	97	5,572
	<u>113,198</u>	<u>165,617</u>

In the preceding period, donation income of £134,463 and total income of £139,618 was restricted.

In 2021, Making Music received various gifts in kind towards Make Music Day 2021, including musical arrangements and event and marketing support from Music for All, Team London Bridge, Hal Leonard Europe and other partner organisations. The value of these gifts could not be estimated with sufficient reliability for inclusion in the financial statements. The activities of Make Music Day transferred to a new organisation in 2022.

4 INCOME FROM CHARITABLE ACTIVITIES

	2022	2021
	£	£
Membership subscriptions	450,454	456,062
Member services	85,147	62,922
	<u>535,601</u>	<u>518,984</u>



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5 INCOME FROM OTHER TRADING ACTIVITIES

	2022 £	2021 £
Advertising	22,951	17,226
Rental income	16,000	8,899
Other income	604	3,202
	39,555	29,327
	39,555	29,327

6 EXPENDITURE ON RAISING FUNDS

	2022 £	2021 £
Staff costs	6,397	5,331
Advertising agent commission	8,001	6,267
Other fundraising costs	1,687	2,145
	16,085	13,743
	16,085	13,743

7 EXPENDITURE ON CHARITABLE ACTIVITIES

	2022 <i>Supporting members</i> £	2022 <i>Supporting leisure-time music</i> £	2022 <i>Total</i> £	2021 <i>Total</i> £
Staff costs	321,329	61,533	382,862	344,304
Direct costs	85,090	22,988	108,078	159,496
Publication costs	24,806	-	24,806	22,266
Promoter subsidies	4,499	-	4,499	5,537
Event costs	1,837	-	1,837	633
Grants payable	8,350	-	8,350	4,600
Support costs allocated	188,085	36,017	224,102	210,587
	633,996	120,538	754,534	747,423
	633,996	120,538	754,534	747,423

Support costs comprise:

Support staff costs	79,072	81,911
Other staff costs	6,745	5,257
Marketing	25,542	15,997
Premises and office costs	88,168	79,679
Depreciation	9,627	14,896
Legal and accountancy fees	2,034	2,682
Other costs	5,089	3,197
Governance costs:		
Trustee expenses	925	618
Audit fees	6,900	6,350
	224,102	210,587
	224,102	210,587

In the preceding period, expenditure of £188,420 came from restricted and endowment funds.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8 NET EXPENDITURE

	2022	2021
	£	£
Net expenditure is stated after charging/(crediting):		
Depreciation	9,627	14,896
Auditors' remuneration for audit services	6,900	6,350
Auditors' remuneration for non-audit services	185	985
Operating lease rentals	38,887	39,476
	<u>38,887</u>	<u>39,476</u>

As permitted by s408 Companies Act 2006, the parent charity has not presented its own Statement of Financial Activities and related notes. The parent charity's net expenditure for the year before investment gains/losses was £80,164 (2021: net expenditure £46,875).

9 STAFF COSTS

	2022	2021
	£	£
Gross salaries	420,541	387,303
Employer's National Insurance contributions	35,364	30,346
Employer's pension contributions	12,426	11,749
Redundancy payment	-	2,148
	<u>468,331</u>	<u>431,546</u>

No termination payments were paid during the period (2021: one).

There were no employees with employment benefits (excluding employer pension contributions) of more than £60,000 in the current nor preceding period.

At the balance sheet date, there were no unpaid pension contributions (2021: £14).

The average number of employees during the year was 16 (2021: 17). The average number of full-time equivalent employees was 12 (2021: 12).

10 INTANGIBLE FIXED ASSETS

Group and charity	£
Cost brought forward and carried forward	<u>1,500</u>
Amortisation brought forward and carried forward	<u>1,500</u>
Net book value at 31 December 2021 and 2022	<u>-</u>

Towards the end of the year, the charity made a contractual commitment of £83,589 for the development of a new website and digital delivery portal in 2023 which is due for delivery in early 2024 and will be treated as an intangible fixed asset. Research expenditure for this project of £21,778 was recognised as expenditure in 2022, funded by a designated fund set aside for this purpose in previous years. This research cost will not be capitalised as part of the cost of the intangible asset.



11 TANGIBLE FIXED ASSETS

Group and charity	<i>Fixtures, fittings and equipment</i> £	<i>Computers and website</i> £	<i>Total</i> £
Cost			
Brought forward at 1 January 2022	17,426	132,733	150,159
Additions	-	1,540	1,540
Disposals	-	-	-
	17,426	134,273	151,699
Carried forward at 31 December 2022	17,426	134,273	151,699
Depreciation			
Brought forward at 1 January 2022	10,963	119,576	130,539
Charged for the year	647	8,980	9,627
Disposals	-	-	-
	11,610	128,556	140,166
Carried forward at 31 December 2022	11,610	128,556	140,166
Net book value			
At 31 December 2022	5,816	5,717	11,533
At 31 December 2021	6,463	13,157	19,620

12 INVESTMENTS

Group	2022 £	2021 £
Listed investments		
Fair value at 1 January 2022	139,504	122,580
Unrealised gains and losses	(3,694)	16,924
	135,810	139,504
Realised gains and losses	-	-
Per Statement of Financial Activities	(3,694)	16,924

In addition, the charity has an investment of £4 (2021: £4), being a holding of 100% of the ordinary share capital, in NFMS Enterprises Limited (company number 02844532), its trading subsidiary. NFMS Enterprises Limited is a company registered in England and Wales with number 02844532. Its registered office is 9 Holyrood Street, London SE1 2EL. All of its profits are covenanted to the parent charity.

The subsidiary contributed turnover of £68,504 (2021: £48,001), expenditure of £56,180 (2021: £40,988) and a profit to the charity of £12,324 (2021: £7,013). At the balance sheet date, the subsidiary had net assets of £4 (2021: £4).



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13 DEBTORS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade debtors	77,736	53,202	73,788	52,783
Amounts owed by group undertakings	-	-	38,981	7,014
Prepayments and accrued income	113,060	30,476	110,831	28,076
Other debtors	161	375	161	375
	<u>190,957</u>	<u>84,053</u>	<u>223,761</u>	<u>88,248</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade and other creditors	378,780	380,592	378,704	380,591
Deferred subscription income	426,823	378,657	426,823	378,657
Accruals and other deferred income	76,719	34,786	75,346	33,509
Tax and social security	14,885	2,334	13,839	2,610
	<u>897,207</u>	<u>796,369</u>	<u>894,712</u>	<u>795,367</u>

Included in trade and other creditors are insurance premiums of £250,068 (2021: £351,743) collected from members by Making Music as agent on behalf of the insurer. Also included are PRS contributions of £3,653 (2021: £15,175) collected from members to be remitted to PRS after the year end.

The movement on deferred membership subscriptions is as follows:

Group and charity	2022 £	2021 £
Balance at 1 January 2022	378,657	405,777
Released to income	(378,657)	(405,777)
Received in the year and deferred	426,823	378,657
Balance at 31 December 2022	<u>426,823</u>	<u>378,657</u>



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15 MOVEMENT ON FUNDS

CURRENT YEAR	<i>Brought forward</i> £	<i>Net movement</i> £	<i>Transfers</i> £	<i>Carried forward</i> £
Permanent endowment				
Philip and Dorothy Green endowment fund	329,264	(3,989)	-	325,275
Restricted funds				
Philip and Dorothy Green income fund	106,308	25,360	(55,610)	76,058
Adopt a Music Creator	-	(12,716)	36,716	24,000
P & D Green Young Artists fund	-	(18,894)	18,894	-
Make Music Day	16,851	(16,851)	-	-
Other restricted funds	8,808	86	-	8,894
	131,967	(23,015)	-	108,952
Unrestricted funds				
Designated funds	80,722	(26,277)	(5,000)	49,445
General fund	283,118	(18,253)	5,000	269,865
	363,840	(44,530)	-	319,310
Total funds	825,071	(71,534)	-	753,537
Current year net movement comprises:	Income £	Expenditure £	Gains/ (losses) £	Net movement £
Permanent endowment				
Philip and Dorothy Green endowment fund	-	(295)	(3,694)	(3,989)
Restricted funds				
Philip and Dorothy Green income fund	25,560	(200)	-	25,360
Adopt a Music Creator	50,000	(62,716)	-	(12,716)
P & D Green Young Artists fund	-	(18,894)	-	(18,894)
Make Music Day	2,235	(19,086)	-	(16,851)
Other restricted funds	4,154	(4,068)	-	86
	81,949	(104,964)	-	(23,015)
Unrestricted funds				
Designated funds	-	(26,277)	-	(26,277)
General fund	620,830	(639,083)	-	(18,253)
	620,830	(665,360)	-	(44,530)
Total funds	702,779	(770,619)	(3,694)	(71,534)

15 MOVEMENT ON FUNDS continued

PRIOR YEAR	<i>Brought forward</i> £	<i>Net movement</i> £	<i>Transfers</i> £	<i>Carried forward</i> £
Permanent endowment				
Philip and Dorothy Green endowment fund	312,579	16,685	-	329,264
Restricted funds				
Philip and Dorothy Green income fund	124,982	20,912	(39,586)	106,308
Adopt a Music Creator	18,968	(37,643)	18,675	-
P A Thompson fund	12,100	(12,100)	-	-
P & D Green Young Artists fund	-	(19,477)	19,477	-
Make Music Day	15,205	1,646	-	16,851
Arts Council England CRF2	-	-	-	-
Other restricted funds	6,498	876	1,434	8,808
	177,753	(45,786)	-	131,967
Unrestricted funds				
Designated funds	91,936	(21,214)	10,000	80,722
General fund	265,740	27,378	(10,000)	283,118
	357,676	6,164	-	363,840
Total funds	848,008	(22,937)	-	825,071
Prior year net movement comprises:				
	<i>Income</i> £	<i>Expenditure</i> £	<i>Gains/ (losses)</i> £	<i>Net movement</i> £
Permanent endowment				
Philip and Dorothy Green endowment fund	-	(239)	16,924	16,685
Restricted funds				
Philip and Dorothy Green income fund	21,102	(190)	-	20,912
Adopt a Music Creator	-	(37,643)	-	(37,643)
P A Thompson fund	-	(12,100)	-	(12,100)
P & D Green Young Artists fund	-	(19,477)	-	(19,477)
Make Music Day	66,513	(64,867)	-	1,646
Arts Council England CRF2	44,429	(44,429)	-	-
Other restricted funds	10,351	(9,475)	-	876
	142,395	(188,181)	-	(45,786)
Unrestricted funds				
Designated funds	-	(21,214)	-	(21,214)
General fund	578,910	(551,532)	-	27,378
	578,910	(572,746)	-	6,164
Total funds	721,305	(761,166)	16,924	(22,937)



15 MOVEMENT ON FUNDS continued

Philip and Dorothy Green endowment and restricted funds

This endowment enables us to provide grants, awards, prizes, donations or financial sponsorship to young musicians. Income is transferred to project funds including the P & D Green Young Artists fund which enables young musicians at the start of their career to gain vital concert and recital experience across the UK. The scheme also allows Making Music member groups to tap into some of the very best young musical talent to programme into their concert. Income from the endowment also part-funds the Adopt a Music Creator project, run annually by Making Music since 2000 and the Awards programme for composers and arrangers.

Adopt a Music Creator

This project enables us to pair a leisure-time ensemble with an emerging composer. It provides a unique opportunity for leisure-time musicians to work directly with a composer, be actively involved in the creative process and discover new music. The project is funded by the PRS for Music Foundation and the Philip and Dorothy Green fund. Separate funding for the project in Scotland is received from Creative Scotland.

P A Thompson fund

The objective of the Pauline Thompson legacy fund was to encourage young people aged 15 to 35 to join amateur music groups. It enabled us to employ a part-time Youth Engagement Manager and extend repertoire to attract young people to sing/play in different types of mixed age music groups. The project completed during 2021 and the fund was fully spent.

Make Music Day fund

Make Music Day is an international celebration of grassroots musical activity which takes place in 125 countries across the globe on 21 June each year. In the UK, this was co-managed by us, with funding from Arts Council England, NAMM, Musicians Union and Music For All until the end of the 2021 project. The 2022 Make Music Day project was managed by a new company, Make Music Day UK Ltd.

Arts Council England Cultural Recovery Fund 2

The objective of this fund was to support cultural organisations as they transitioned back to a viable and sustainable operating model following the winter 2021 Covid lockdown. The funding covered a specific period: April to June 2021, and enabled us to return staff from furlough and invest in supporting members as they restarted activity.

Other restricted funds

These funds enable us to make a number of awards, bursaries, and prizes to individual musicians, groups, and organisations in both the voluntary and professional sector. Some of these, such as the Sir Charles Groves Prizes, recognise lifelong contributions to the musical life of the UK.

Designated funds

The designated funds are intended for use on a new website and artist subsidies.



16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	2022 <i>Unrestricted funds</i> £	2022 <i>Restricted funds</i> £	2022 <i>Endowment funds</i> £	2021 <i>Total funds</i> £
CURRENT YEAR				
Fixed assets	11,533	-	135,810	147,343
Net current assets	307,777	108,952	189,465	606,194
	<u>319,310</u>	<u>108,952</u>	<u>325,275</u>	<u>753,537</u>
PRIOR YEAR				
Fixed assets	19,620	-	139,504	159,124
Net current assets	344,220	131,967	189,760	665,947
	<u>363,840</u>	<u>131,967</u>	<u>329,264</u>	<u>825,071</u>
Charity				
	2022 <i>Unrestricted funds</i> £	2022 <i>Restricted funds</i> £	2022 <i>Endowment funds</i> £	2021 <i>Total funds</i> £
CURRENT YEAR				
Fixed assets	11,537	-	135,810	147,347
Net current assets	307,773	108,952	189,465	606,190
	<u>319,310</u>	<u>108,952</u>	<u>325,275</u>	<u>753,537</u>
PRIOR YEAR				
Fixed assets	19,624	-	139,504	159,128
Net current assets	344,216	131,967	189,760	665,943
	<u>363,840</u>	<u>131,967</u>	<u>329,264</u>	<u>825,071</u>



17 FINANCIAL COMMITMENTS

At 31 December 2022 the charity was committed to future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£	£
Due within one year	38,887	38,887
Due in two to five years	56,233	95,120
	<u> </u>	<u> </u>

Towards the end of the year, the charity made a contractual commitment of £83,589 for the development of a new website and digital delivery portal in 2023 which is due for delivery in early 2024.

18 RELATED PARTY TRANSACTIONS

The key management personnel are considered to be the trustees, the Chief Executive, the Membership & Operations Director, the Finance Director, the Communications Director and from 1 August 2022, the Deputy CEO. This new part-time role focuses on our advocacy and lobbying work, funded by an unrestricted three-year grant from the Esmee Fairbairn Foundation (EFF).

The total amount of employee benefits (including employer's national insurance and pension contributions) received by key management personnel during the year was £183,242 (2021: £161,879).

There were no Trustees' remuneration or other benefits during the current or prior period.

Trustees were reimbursed expenses of £468 (2021: £133), in respect of three (2021: two) trustees for travel and subsistence costs. Ms Clare Birks is related to the owner of the property leased by the charity. The amount of the lease charge payable per annum is £36,996 (2021: £36,996). Ms Birks is excluded from any discussions on property-related matters and the rent was negotiated on an arm's length basis.