

REGISTERED COMPANY NUMBER: 03339187
REGISTERED CHARITY NUMBER: 1063706

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
FOR
MUSIC FOR CHANGE

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for the Year Ended 31 December 2008**

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MUSIC FOR CHANGE

REPORT OF THE TRUSTEES for the Year Ended 31 December 2008

The Trustees present their report with the financial statements of the company for the year ended 31 December 2008.

Reference and Administrative Information

Charity Name : Music for Change
Charity registration number : 1063706
Company registration number : 03339187
Registered Office
and operational address : 19b Roper Close
Canterbury
Kent
CT2 7EP

Trustees

Helen MacGregor
Roger Clayton
Mike Nee
David Ashworth
Becky Parker
Vaughan Hawthorn-Nelson

Company Secretary

Rosco Jones

Accountants

Hilary Adams Ltd
Chartered Accountants
158 High Street
Herne Bay CT6 5NP

Structure, Governance and Management

Recruitment and appointment of new trustees

Trustees are appointed at the Annual General Meeting of the Charity, or by the existing Trustees, to hold office until the Annual General Meeting. The Board of Trustees appoints trustees, and at any time there should not be less than two Trustees. Mr Vaughan Hawthorn-Nelson was appointed as a new trustee, Mr Roger Clayton was retained as Chair. No resignations were offered.

Induction and training of new trustees

All new trustees are given sufficient training to understand the nature of the Charity and its aims. They are required to participate in training events to ensure that they are aware of both their legal and professional responsibilities under charity and company law. New trustees are registered with Charities Commission and are provided with a new trustees pack in line with charity commission guidelines

Organisational structure

The Charity has its offices in Canterbury. A Board of Trustees governs the work of the charity as the decision-making body of the organisation, according to its Memorandum and Articles of Association. The Trustees meet on a quarterly basis to consider the current and future work of the Charity and make major financial and staffing decisions.

MUSIC FOR CHANGE

REPORT OF THE TRUSTEES for the Year Ended 31 December 2008

Organisational structure (cont)

Members of the Board of Trustees are charity trustees as defined by the Charities Act. The company is limited by guarantee and Board members are also directors and are registered as such in accordance with the Companies Act. Board members can claim for reasonable expenses incurred in undertaking the Charity's business but they receive no remuneration or other financial benefit. All members of the Board have confirmed that they do not have, and have not had any beneficial interest in any contract with the Charity.

The members of the Board of Trustees in the year ended 31st December 2008, were as follows:-

Roger Clayton (Chair)
Helen MacGregor
Dee Ashworh
Mike Nee
Becky Parker
Vaughan Hawthorn-Nelson

The Chief Executive Officer of the Charity for 2008 was Mark Johnson-Brown

Wider network

Music for Change is not part of a wider network.

Related parties

There are no related party transactions either in the current or previous year.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have examined the major strategic, business and operational risks which the Charity faces, and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Objectives and Activities

Objectives and aims

Music for Change aims to advance education of the public, particularly children and young people in schools and community groups, by the provision of artists, arts resources, training and performances.

Artists

Music for Change could not continue to achieve great accolades without a team of steadfast and inspirational artists from which ideas constantly grow and develop. Their commitment, energy and focus has been exceptional and is a constant factor in future developments and growth of the organisation. In 2008 we added several highly skilled and well respected artists to our core artist family.

Staff and volunteers

The team sitting at the phones, fax and computers at Music for Change keep the wheels not only in motion but oiled, have spares in reserve and regularly don overalls and completely overhaul the Music for Change machine. Rarely seen but always heard, the Music for Change team is loyal, dedicated and committed. The growth over the last ten years is attributed to their sheer hard work and dedication. The 700,000 people who have benefited are eternally grateful to their efforts, as is the Board of Trustees and the Chief Executive.

The Charity is grateful for the unstinting efforts of its volunteers who are involved in service provision, administration and fund-raising.

Achievements and Performance

Review of activities through 2008

The Mission of Music for Change is to promote awareness, understanding and respect for cultural diversity, through music and performing arts. We achieve this through using music and the performing arts as a medium to educate people about cultural diversity, enabling them to respect other cultures and celebrate that diversity.

MUSIC FOR CHANGE

REPORT OF THE TRUSTEES for the Year Ended 31 December 2008

Review of activities through 2008 (cont)

2008 was a busy year for Music for Change, characterised by the celebration of the passing of the 10th year of operation, by the development of the organisation's first Strategic Business Plan and responding to the fast changing financial and educational landscapes. One of the major success's of the year has been the 300% increase in the Arts Council of England RFO annual grant to Music for Change, at a time when many long standing clients were cut completely.

- Culturally diverse music, dance, percussion and story-telling workshops.

In 2008 we organised over 1107 workshops and 579 performances, reaching an audience of 99600 children, young people and adults. This constituted a 25% drop in our projected client driven bookings for workshops. It also constituted an increase in the projects and self generated activity.

-Social inclusion, Refugee and asylum seeker work continues to be a core part of our work, linking unaccompanied asylum-seeking young people and host community young people, breaking down barriers and raising understanding and respect.

-Events.

The Global Bandstand festival this year was held at Dane John Gardens and was supported by Canterbury City Council. We produced the opening celebratory event and participatory work for Medway Council's Fuse Festival. This year saw MfC produce 8 live events at the Orange Street Music Club in Canterbury. As part of a new long term partnership with eight venues across the region (the rootsroundabout project) we managed and produced three live tours and one multi venue series of workshop called Global Voices.

-Artists Training and Development.

The DFID funded World Music Matters, artists development programme entered its second year and it's most exciting and rewarding phase where the Canterbury Christ Church University accredited courses were completed by over (23) artists and from which (12) artists schools residencies resulted. This training continues into a third year and into its schools resources and further artist training phase.

-Issue based work.

We are broadening and deepening the opportunities that we offer through the arts - current themes are sustainability, the environment, migration, asylum. This work will continue to evolve as issues and social circumstances change.

-Marketing.

The new web site was launched in tandem with the anniversary celebrations to great acclaim and effect. A new more cohesive visual identity was also introduced. Regular and professional communication tools were introduced including digital newsletters and e-marketing and in July a part time Marketing Manager was employed to raise the profile of our work.

- Business Planning

The Board, staff and CEO worked with consultants the Hub UK, to devise, design and write a comprehensive and ambitious business plan for the development of the organisation. The cornerstones of that plan are based around strengthening the relationship with the education and third sectors, in bringing our artists and their creativity much closer to the centre of the organisation, increasing the partnership and larger scale project work whilst reducing the reliance on generic one day workshop programmes. It also plans to relocate the office base away from the less than ideal industrial unit in Canterbury.

We end our review of 2008 with particular thanks to:

- Our funding partners, in particular, Arts Council South East, The Department for International Development, Canterbury City Council. Heritage Lottery Fund, Awards for All, Baring Foundation, Music in Detention and the Gulbenkian Foundation

- All staff who continue to move Music for Change forward.

- Artists who continue to work with us towards confirming and achieving our aims and objectives.

- In February 2008 Graham Wheater moved home to Buckinghamshire and therefore relinquished his voluntary role as Honorary Treasurer of MfC. The Board and staff wish him well and thank him for his more than sterling and resolute work through good and not so good times.

In August and November respectively, Douglas Noble and Nadine Wood left the employment of Music for Change to take up new posts, the Board and staff wish them well and thank them for their hard work and commitment.

- Jacky Scott, Julia Payne & Wendy Smithers from the HubUK for their consultation work on designing a business plan for the strengthening and future development of Music for Change

REPORT OF THE TRUSTEES
for the Year Ended 31 December 2008

Internal and external factors

The Trustees have made full assessment of the internal and external factors and have not identified such factors that would materially impact on the presentation of these financial statements.

Financial Review

Reserves policy

It is the Trustees' policy to work towards holding the minimum reserves necessary to enable the charity to meet its commitments for a minimum of twelve months.

Investment powers

The charity's investments powers are governed by clause 16 of the Memorandum of Association, which permits the investment of monies not immediately required for its purpose in shares, funds, securities or other investments as may be thought fit.

Future developments

Music for Change will continue to roll out and create innovative and exciting projects for school and community setting alike, growing the team and the skills needed to do this to the standards that we have set.

Artists

With artists that we already engage with, we will continue to meet, train and develop their skills in order to continue to deliver Music for Change projects and residencies. This requires the consolidation of a small team within Music for Change to continue to prioritise and develop the styles of artists and the training and development that they need to develop and focus on key issues.

Staff and Training

Music for Change will continue to support training and development of staff through support and supervision sessions.

Strategy

Music for Change has developed a three year business plan for Music for Change, integrating activities, fundraising, staff, artists' development, finance, IT, training, diversity action plan, policies and evaluation. This plan is now being delivered and milestone achievement will be monitored by the staff and the Board.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE TRUSTEES:

.....
Rosco Jones - Secretary

Date:

MUSIC FOR CHANGE

**STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
for the Year Ended 31 December 2008**

| | Notes | Unrestricted Funds 2008 £ | Restricted Funds 2008 £ | Total Funds 2008 £ | Total Funds 2007 £ |
|---|-------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Incoming resources: | | | | | |
| Voluntary income: | | | | | |
| Donations & grants | | 124 | - | 124 | 205 |
| Activities for generating funds: | | | | | |
| Investment income | 3 | 3,457 | - | 3,457 | 2,485 |
| Incoming resources from charitable activities: | | | | | |
| Grants | 4 | 131,297 | 57,466 | 188,763 | 223,448 |
| Workshops & performances | | 191,931 | 8,781 | 200,712 | 239,640 |
| Subscriptions | | 151 | - | 151 | 185 |
| Sales | | 5,119 | - | 5,119 | 2,188 |
| Other income | | 2,819 | 363 | 3,182 | - |
| Total incoming resources | | <u>334,898</u> | <u>66,610</u> | <u>401,508</u> | <u>468,151</u> |

Resources expended

| | | | | | |
|--------------------------------------|---|----------------|---------------|----------------|----------------|
| Costs of generating funds: | | | | | |
| Costs of generating voluntary income | | 114 | - | 114 | 4,118 |
| Charitable activities | | 390,696 | 30,128 | 420,824 | 393,323 |
| Governance costs | | 5,330 | - | 5,330 | 32,953 |
| Total resources expended | 2 | <u>396,140</u> | <u>30,128</u> | <u>426,268</u> | <u>431,579</u> |

**STATEMENT OF TOTAL RECOGNISED
GAINS AND LOSSES**

| | | | | | |
|---|----|-----------------|---------------|-----------------|----------------|
| Net incoming resources before other recognised gains | | | | | |
| (net income for the year) | | (61,242) | 36,482 | (24,760) | 36,572 |
| Transfer depreciation reserve | | - | - | - | - |
| Other recognised gains | | | | | |
| Gain on revaluation of investments | | - | - | - | - |
| Net movement in funds | | <u>(61,242)</u> | <u>36,482</u> | <u>(24,760)</u> | <u>36,572</u> |
| Total funds brought forward | | 129,696 | - | 129,696 | 93,124 |
| Total funds carried forward | 12 | <u>68,454</u> | <u>36,482</u> | <u>104,936</u> | <u>129,696</u> |

Movements in funds are disclosed in Note 12 to the financial statements.

CONTINUING OPERATIONS

None of the charitable company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The charitable company has no recognised gains and losses other than the gains/losses for the current and previous years.

The notes form part of these financial statements

MUSIC FOR CHANGE

BALANCE SHEET
31 December 2008

| | Note | Unrestricted funds £ | Restricted funds £ | 31.12.08 Total funds £ | 31.12.07 Total funds £ |
|--|------|-------------------------|-----------------------|------------------------------|------------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 9 | 1,885 | - | 1,885 | 4,246 |
| CURRENT ASSETS | | | | | |
| Debtors | 10 | 35,283 | - | 35,283 | 87,822 |
| Cash at bank and in hand | | <u>40,219</u> | <u>37,307</u> | <u>77,526</u> | <u>47,186</u> |
| | | 75,502 | 37,307 | 112,809 | 135,008 |
| CREDITORS | | | | | |
| Amounts falling due within one year | 11 | <u>(8,933)</u> | <u>(825)</u> | <u>(9,758)</u> | <u>(9,558)</u> |
| NET CURRENT ASSETS | | <u>66,569</u> | <u>36,482</u> | <u>103,051</u> | <u>125,450</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>68,454</u> | <u>36,482</u> | <u>104,936</u> | <u>129,696</u> |
| FUNDS | 12 | | | | |
| Unrestricted funds | | | | 68,454 | 129,696 |
| Restricted funds | | | | <u>36,482</u> | <u>-</u> |
| TOTAL FUNDS | | | | <u>104,936</u> | <u>129,696</u> |

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 December 2008.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2008 in accordance with Section 249B(2) of the Companies Act 1985.

The Trustees acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

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

.....
Vaughan Hawthorn-Nelson- Director

.....
Helen MacGregor - Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2008

2 Total Resources Expended

| | Basis of allocation | £ Core Activities | £ World Music Matters | £ Super Singing Communities | £ Governance | 2008 Total £ | 2007 Total £ |
|--------------------------------------|---------------------|-------------------|-----------------------|-----------------------------|--------------|-----------------|-----------------|
| Costs allocated to activities | | | | | | | |
| Artists workshop & performance fees | Direct | 118,056 | 13,280 | 4,593 | - | 135,929 | 153,794 |
| Project travel | Direct | 30,494 | 2,685 | 1,133 | - | 34,312 | 32,313 |
| Project food & drink | Direct | 2,594 | 613 | - | - | 3,207 | 1,781 |
| Other project costs | Direct | 7,091 | 7,498 | 47 | - | 14,636 | 11,866 |
| Staff costs | Direct | 178,950 | - | - | 3,417 | 182,367 | 178,142 |
| Training | Direct | 515 | 68 | 100 | - | 683 | 9,377 |
| Post & stationery | Direct | 5,360 | 94 | 17 | - | 5,471 | 5,608 |
| Accountancy | Direct | 1,319 | - | - | 1,898 | 3,217 | 4,030 |
| Companies house | Direct | - | - | - | 15 | 15 | 15 |
| Premises | Direct | 9,813 | - | - | - | 9,813 | 10,435 |
| Communications | Direct | 4,640 | - | - | - | 4,640 | 5,576 |
| Advertising | Direct | 3,568 | - | - | - | 3,568 | 4,118 |
| General office expenses | Direct | 1,734 | - | - | - | 1,734 | 2,135 |
| Research & film | Direct | 2,705 | - | - | - | 2,705 | 5,272 |
| Educational material | Direct | 1,407 | - | - | - | 1,407 | 292 |
| Conferences & meetings | Direct | 3,941 | - | - | - | 3,941 | 2,533 |
| Consultancy | Direct | 14,441 | - | - | - | 14,441 | - |
| Subscriptions | Direct | 448 | - | - | - | 448 | 560 |
| Depreciation | Direct | 3,467 | - | - | - | 3,467 | 2,476 |
| Bank charges | Direct | 153 | - | - | - | 153 | 71 |
| Total resources expended | | 390,696 | 24,238 | 5,890 | 5,330 | 426,154 | 430,394 |

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2008

3. INVESTMENT INCOME

| | 31.12.08 | 31.12.07 |
|--------------------------|--------------|--------------|
| | £ | £ |
| Deposit account interest | <u>3,457</u> | <u>2,485</u> |

4. INCOMING RESOURCES FROM ACTIVITIES TO FURTHER THE CHARITY'S OBJECTS

| | Unrestricted | Restricted | 2008 | 2007 |
|---------------------|----------------|---------------|----------------|----------------|
| | Total | | | Total |
| | £ | £ | £ | £ |
| Grants | 131,297 | 57,466 | 188,763 | 223,448 |
| School & youth fees | 123,395 | 8,732 | 132,127 | 151,059 |
| Other fees | 68,536 | 49 | 68,585 | 83,787 |
| Other | <u>2,970</u> | <u>363</u> | <u>3,333</u> | <u>4,979</u> |
| | <u>326,198</u> | <u>66,610</u> | <u>392,808</u> | <u>463,273</u> |

5. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

| | 31.12.08 | 31.12.07 |
|-----------------------------|--------------|--------------|
| | £ | £ |
| Depreciation - owned assets | <u>3,467</u> | <u>2,476</u> |
| Directors' emoluments | <u>-</u> | <u>-</u> |

6. STAFF COSTS

| | 31.12.08 | 31.12.07 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 165,677 | 161,045 |
| Social security costs | 14,983 | 14,635 |
| Other pension costs | <u>892</u> | <u>1,647</u> |
| | <u>181,552</u> | <u>177,327</u> |

No employee received emoluments of more than £60,000.

The average monthly number of employees during the year, calculated on the basis of full time equivalents, was as follows:

| | 31.12.08 | 31.12.07 |
|---------|----------|----------|
| Manager | 1 | 1 |
| Direct | <u>5</u> | <u>8</u> |
| | <u>6</u> | <u>9</u> |

The charity operates a pension scheme for its employees.

MUSIC FOR CHANGE

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2008

| | | |
|---|---------------|------------------------------|
| 7. GOVERNANCE COSTS | | |
| | 31.12.08 | 31.12.07 |
| | £ | £ |
| Staff costs | 3,417 | 28,864 |
| Other costs | 15 | 59 |
| Accountants' remuneration | 1,898 | 4,030 |
| | <u>5,330</u> | <u>32,953</u> |
| 8. TRUSTEES' REMUNERATION AND BENEFITS | | |
| There were no trustees' remuneration or other benefits for the year ended 31 December 2008 nor for the year ended 31 December 2007. | | |
| Trustees' Expenses | | |
| There were no trustees' expenses paid for the year ended 31 December 2008 nor for the year ended 31 December 2007. | | |
| 9. TANGIBLE FIXED ASSETS | | |
| | | Plant and machinery etc £ |
| COST | | |
| At 1 January 2008 | | 15,039 |
| Additions | | <u>1,106</u> |
| At 31 December 2008 | | <u>16,145</u> |
| DEPRECIATION | | |
| At 1 January 2008 | | 10,793 |
| Charge for year | | <u>3,467</u> |
| At 31 December 2008 | | <u>14,260</u> |
| NET BOOK VALUE | | |
| At 31 December 2008 | | <u>1,885</u> |
| At 31 December 2007 | | <u>4,246</u> |
| 10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | | |
| | 31.12.08 | 31.12.07 |
| | £ | £ |
| Trade debtors | 32,696 | 84,218 |
| Other debtors | <u>2,587</u> | <u>3,604</u> |
| | <u>35,283</u> | <u>87,822</u> |
| 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | | |
| | 31.12.08 | 31.12.07 |
| | £ | £ |
| Trade creditors | - | (244) |
| Taxation and social security | 3,341 | 4,044 |
| Other creditors | <u>6,417</u> | <u>5,758</u> |
| | <u>9,758</u> | <u>9,558</u> |

MUSIC FOR CHANGE

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2008

12. MOVEMENT IN FUNDS

| | At 31.12.07 £ | Net movement in funds £ | At 31.12.08 £ |
|---------------------------|------------------|----------------------------------|------------------|
| Unrestricted funds | | | |
| General fund | 129,696 | (61,242) | 68,454 |
| | <hr/> | <hr/> | <hr/> |
| | 129,696 | (61,242) | 68,454 |
| Restricted funds | | | |
| Refugee project | - | 15,000 | 15,000 |
| World music matters | - | 3,865 | 3,865 |
| Super singing communities | - | 17,617 | 17,617 |
| | <hr/> | <hr/> | <hr/> |
| | - | 36,482 | 36,482 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL FUNDS | <u>129,696</u> | <u>(24,760)</u> | <u>104,936</u> |

Net movement in funds, included in the above, are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 334,898 | (396,140) | (61,242) |
| | <hr/> | <hr/> | <hr/> |
| | 334,898 | (396,140) | (61,242) |
| Restricted funds | | | |
| Refugee project | 15,000 | - | 15,000 |
| World music matters | 28,103 | (24,238) | 3,865 |
| Super singing communities | 23,507 | (5,890) | 17,617 |
| | <hr/> | <hr/> | <hr/> |
| | 66,610 | (30,128) | 36,482 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL FUNDS | <u>401,508</u> | <u>(426,268)</u> | <u>(24,760)</u> |

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MUSIC FOR CHANGE

We report on the accounts of the Charity for the period ended 31 December 2008, which are set out on pages 1 to 11.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this period (under section 43(2) of the Charities Act 1993 (the 1993 Act)) and that an independent examination is needed.

It is our responsibility to:

- examine the accounts (under section 43(3)(a) of the 1993 Act);
- to follow the procedures laid down in the General Directions given by the Charity Commission (under section 43(7)(b) of the 1993 Act); and
- to state whether particular matters have come to our attention.

Basis of independent examiner's report

Our examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently we do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with our examination, no matter has come to our attention:

(1) which gives us reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with section 41 of the 1993 Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 1993 Act
- have not been met; or

(2) to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

As described on the balance sheet you are responsible for the preparation of the financial statements for the period ended 31 December 2008 set out on pages eight to eleven and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Hilary Adams Ltd
Chartered Accountants
158 High Street
Herne Bay
Kent
CT6 5NP

Date:

MUSIC FOR CHANGE

INCOME AND EXPENDITURE ACCOUNT
for the Year Ended 31 December 2008

| | 31.12.08 | | 31.12.07 | |
|----------------------------|--------------|--------------|--------------|---------------|
| | £ | £ | £ | £ |
| Turnover | | | | |
| Grants | 188,763 | | 223,448 | |
| School & youth fees | 132,127 | | 151,059 | |
| Other fees | 68,585 | | 83,787 | |
| DVD sales | 5,119 | | 2,188 | |
| Other income | 3,182 | | 4,794 | |
| Supporters subscriptions | 151 | | 185 | |
| Donations | <u>124</u> | | <u>205</u> | |
| | | 398,051 | | 465,666 |
| Cost of goods sold | | | | |
| Purchases | | <u>114</u> | | <u>1,185</u> |
| | | 397,937 | | 464,481 |
| Governance costs | | | | |
| Wages | 3,090 | | 28,864 | |
| Social security | 327 | | - | |
| Companies house fees | 15 | | 115 | |
| Postage & stationery | - | | 44 | |
| Auditors' remuneration | - | | 2,530 | |
| Accountancy | <u>3,217</u> | | <u>1,500</u> | |
| | | <u>6,649</u> | | <u>33,053</u> |
| | | 391,288 | | 431,428 |
| Establishment costs | | | | |
| Rent | 5,340 | | 6,016 | |
| Other premises expenses | 2,290 | | 2,194 | |
| Insurance | <u>2,183</u> | | <u>2,225</u> | |
| | | <u>9,813</u> | | <u>10,435</u> |
| Carried forward | | 381,475 | | 420,993 |

This page does not form part of the statutory financial statements

MUSIC FOR CHANGE

**TRADING AND PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2008**

| | 31.12.08 | | 31.12.07 | |
|------------------------------------|--------------|-----------------|--------------|----------------|
| | £ | £ | £ | £ |
| Brought forward | | 381,475 | | 420,993 |
| Administrative expenses | | | | |
| Wages | 162,587 | | 132,181 | |
| Social security | 14,656 | | 14,635 | |
| Pensions | 892 | | 1,647 | |
| Communications | 4,640 | | 5,576 | |
| Post and stationery | 5,471 | | 5,564 | |
| Advertising | 3,568 | | 4,118 | |
| Sundry expenses | 446 | | 711 | |
| Artist workshop & performance fees | 135,929 | | 153,794 | |
| Project travel & accommodation | 34,312 | | 32,313 | |
| Project food & drink | 3,207 | | 1,781 | |
| Other project costs | 14,636 | | 11,866 | |
| Conferences & meetings | 3,941 | | 2,533 | |
| Film & video | 150 | | 1,539 | |
| Research & evaluation | 2,555 | | 3,733 | |
| Software & maintenance | 1,288 | | 1,111 | |
| Artist training | 543 | | 7,233 | |
| Group life assurance plan | 815 | | 815 | |
| Volunteers' costs | - | | 63 | |
| Training | 140 | | 2,144 | |
| Subscriptions | 448 | | 560 | |
| Educational material | 1,407 | | 292 | |
| Consultancy | 14,441 | | - | |
| Bad debts | - | | 150 | |
| | | <u>406,072</u> | | <u>384,359</u> |
| | | (24,597) | | 36,634 |
| Finance costs | | | | |
| Bank charges | | <u>153</u> | | <u>71</u> |
| | | (24,750) | | 36,563 |
| Depreciation | | | | |
| Plant and machinery | 137 | | - | |
| Fixtures and fittings | 120 | | 132 | |
| Computer equipment | <u>3,210</u> | | <u>2,344</u> | |
| | | <u>3,467</u> | | <u>2,476</u> |
| | | (28,217) | | 34,087 |
| Finance income | | | | |
| Deposit account interest | | <u>3,457</u> | | <u>2,485</u> |
| NET (DEFICIT)/SURPLUS | | <u>(24,760)</u> | | <u>36,572</u> |

This page does not form part of the statutory financial statements