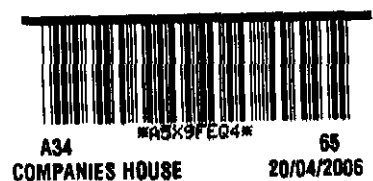


REGISTERED IN ENGLAND
COMPANY NO. 2186012
CHARITY NO. 298418

COMMUNITY MUSIC EAST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2005



COMMUNITY MUSIC EAST LIMITED

COMPANY INFORMATION

Principal address: 189 King Street
Norwich
NR1 2DF

Registered office: King Street House
15 Upper King Street
Norwich
NR3 1RB

Auditors: Larking Gowen
Chartered Accountants
King Street House
15 Upper King Street
NORWICH
NR3 1RB

Bankers: Lloyds TSB Plc
16 Gentleman's Walk
Norwich
NR2 1LZ

Solicitors: Clapham & Collinge
35 Exchange Street
Norwich

COMMUNITY MUSIC EAST LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2005

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COMMUNITY MUSIC EAST LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the year ended 31st March 2005.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal Activities and Business Review

CME aims to provide opportunity through the process of music-making. It gives particular priority to work with people who are in any way socially, financially or educationally disadvantaged.

Following the significant growth of the previous two years, driven by significant EEDA funding for training and public programme development, CME has had a year of consolidation. The life-long learning public programme has been sustained through targeted investment of CME resources, whilst we wait on the development of mainstream funding to support this key element and focus of delivery.

The third and final year of the Music Life Programme (MLP2), a collaboration with consortium partners Creative Arts East (CAE) and Norfolk Music Works, was successfully completed at the end of March 2005. The negotiation of the next 3 year phase of this initiative, re-christened Music Wise, managed by a consortium of CME and CAE and worth £765,000, was successfully completed in time for a seamless start at the beginning of 2005-06. This programme phase will have a particular focus on young people opting out of education, those who are at risk of offending, those who are disadvantaged and work with pre-school children and their parents.

CME also negotiated two significant Learning and Skills Council/European Social Fund co-financed programmes targeting hard to reach learners and providing engagement activity and progression opportunities to CME's public programme activity and other mainstream learning activity.

Activity continues with adults with learning difficulties and mental health survivors living the community as part of our Health and Wellbeing Programme.

During 2004-2005 CME continued to work towards the development of the community music centre and recording studio as a new build on a site to be provided by the City Council in centre of Norwich. Complex legal negotiations surrounding the release of this site have delayed the project and the opening date has now been postponed until April 2008.

Significant investment in instruments, equipment and resources in the last two years has required only a modest spend in this area this year.

The operational structure of CME continues to maximise the skills and contributions of all staff and Board members in an efficient and responsive executive management structure. This process is not only preparation for the Community Music Centre but, perhaps more importantly, is also a planned response to the demands of the primary work of the organisation, the provision of beneficial music-making opportunities.

COMMUNITY MUSIC EAST LIMITED

DIRECTORS' REPORT (CONTINUED)

Legal structure and governance

Community Music East Ltd. (CME) is a registered charity (no. 298418) and a company limited by guarantee (no. 2186012) governed by memorandum and articles. Community Music East Ltd's voluntary board of directors are also the charity's trustees. The directors are the only members of the company. Other than the members no organisations or individuals are entitled to appoint board members. An executive subcommittee of the board, comprising board members and senior management staff, meets on a monthly basis and reports to the full board which meets quarterly.

Income and Reserves Policy

At a meeting of the CME board on 15/6/05 the following policies were adopted.

Income

It will be presumed that income arising through CME's activities is unrestricted unless so designated by the funder or by the CME Board if they believe the income to be subject to a specific trust as defined by the Charities SORP. For the avoidance of doubt, it is also presumed that all income whether restricted or unrestricted includes an appropriate element to cover CME's support costs. Support costs include amounts required to meet CME's stated policy on reserves. This policy will be communicated to all potential funders as part of the CME bidding process.

Reserves

CME believes that it needs reserves to enable the enterprise to continue for 6 months should all existing funding sources cease so as to provide sufficient time to pursue alternative means of funding its activities and to meet legal obligations pertaining to staff and the then existing activities. CME believes that the reserves required amount to at least 50% of the average annual expenditure of the previous three years. The actual level of free reserves, being unrestricted funds not held as fixed assets, for 2004-05 were £30,552.

Partnership arrangements (see note 9)

Many of the projects CME undertakes involve working in partnership with other organisations with similar aims and objectives. In particular, CME is acting as the lead organisation and financial manager for Music Wise (formerly the Music Life Project), a consortium which has included in its membership Creative Arts East. Music Wise is Norfolk's Youth Music Action Zone, initiated and primarily funded by the National Foundation for Youth Music.

Results

Income

Following a period of dramatic growth in the two previous years we achieved a consolidated operational level in the year to March 2005. Income fell by £196,971 (34%) to £394,614.

The increase of £3,278 in grants/statutory funding reflects inflation increases on core funding agreements.

The reduction in National Foundation for Youth Music (NFYM) income for the third and final year of the Music Life Project is the result of agreed retention of grant pending completion of the final claim for the programme.

Our contract income from EEDA dropped from £108,000 to £51,000 reflecting the final payment of the two year agreement supporting the tutor training programme and the public programme.

Income from trusts and foundations was significantly down by £106,000 (70%) on the levels achieved in the previous year. This situation reflected the departure of CME's Development Manager and considerable difficulty appointing the right person to replace her, resulting in a vacant post for 6 months. A successful appointment (April 2005) comes as a great relief as trust and foundation income is invaluable to the organisation allowing CME to respond flexibly to new opportunities and changing funding structures.

COMMUNITY MUSIC EAST LIMITED

DIRECTORS' REPORT (CONTINUED)

The effectively sustained level of workshop/course income, in fact a modest decrease of £7,000 (6%), is encouraging particularly as it represents both match-funding for restricted funds as well as a useful flow of unrestricted income. However, in CME's present circumstances this sort of income will fluctuate from year to year as it is dependent on the nature and focus of specific programmes. The establishment of the community music centre will offer the opportunity for CME to develop more and diverse sources of earned income in the future.

Direct Charitable Expenditure

Spend decreased by £76,000 (15%) to £413,000 including staff (- £29,000/-21%), tutors (+ £2,000/+ 3%) and the completed training programme (- £20,000/- 67%) costs and £81,000 (-£4,000 / -5%) in advances to our partners in the Music Life Project consortium. All these costs reflect consolidated levels of CME activity. Depreciation decreased by £6,500 (8%) to the still significant figure of £75,176 as a continuing result of our major capital investments, particularly in leasehold improvements to the interim centre in the previous year.

Fundraising and publicity costs

Costs fell by £9,000 (16%) to £50,000 with lower staff costs accounting for £7,000 of the decrease. Publicity costs fell by £7,000 (49%) offsetting a significant increase in phone post stationery costs.

Capital Investment

Additions during the year totalled £13,000 representing an increase in the instrument stock of £8,500 and investment of £4,500 in a new bespoke database for the organisation.

Fund Balances

Fund balances carried forward at the end of the year decreased by £127,000 (47%) to £147,000 including £49,000 in restricted funds and £67,000 allocated to earmarked funds representing the closing net book value of fixed assets

Directors

The directors who served during the year were:

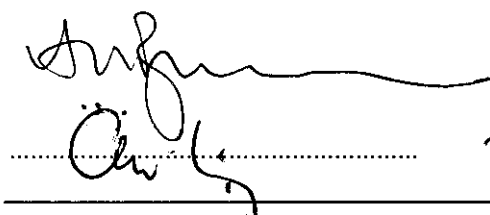
A. Brown	Joint Chair
C. King	Joint Chair
M. Burrows	appointed 15/12/04
P. Brambleby	resigned 1/5/05
I. Macdonald	
A. Mullan	resigned 8/2/05
M. Russell-King	
C. T. Wright	resigned 1/9/05

Auditors

In accordance with Section 385, Companies Act 1985, a resolution proposing the re-appointment of Larking Gowen as Auditors to the company will be put to the Annual General Meeting.

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

By order of the Board



23-3-2006



CHARTERED
ACCOUNTANTS

AUDITORS' REPORT TO THE MEMBERS OF COMMUNITY MUSIC EAST LIMITED

We have audited the financial statements on pages 6 to 17 which have been prepared under the historical cost convention and the accounting policies set out on page 8 and 9.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' (who are also the trustees of Community Music East Ltd for the purposes of its charitable activities) responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Directors' Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

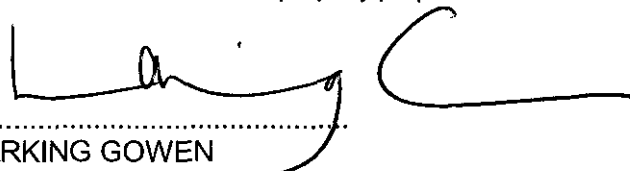


CHARTERED
ACCOUNTANTS

AUDITORS' REPORT TO THE MEMBERS OF COMMUNITY MUSIC EAST LIMITED (CONTINUED)

Opinion

In our opinion the financial statements give a true and fair view of the company's state of affairs as at 31st March 2005 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



.....
LARKING GOWEN
REGISTERED AUDITORS

Date 7 April 2006

COMMUNITY MUSIC EAST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31st MARCH 2005

		Unrestricted funds		Restricted funds		2005	2004
	Notes	General	Earmarked	General	Capital Project	Total	Total
		£	£	£	£	£	As Restated £
Income and expenditure							
Incoming resources							
Activities in furtherance of the charity's objects	2.	159,729	-	191,265	43,620	394,614	591,585
Investment income	3.	2,194	-	1,260	-	3,454	2,610
Other incoming resources	4.	1,287	-	-	-	1,287	7,504
Total incoming resources		163,210	-	192,525	43,620	399,355	601,699
Resources expended							
Charitable expenditure	5.	110,226	72,439	214,117	16,385	413,169	489,198
Costs of generating funds	6.	19,566	-	30,779	-	50,345	59,434
Management and administration of the charity	7.	43,043	2,737	17,906	-	63,687	75,226
Total resources expended		172,837	75,176	262,803	16,385	527,201	623,858
Net incoming/(outgoing) resources before transfers		(9,626)	(75,176)	(70,279)	27,235	(127,846)	(22,159)
Transfers between funds	8.	(2,463)	13,210	(10,747)	-	-	-
Net movement in funds – net income/(expenditure) for the year		(12,089)	(61,966)	(81,026)	27,235	(127,846)	(22,159)
Fund balance brought forward at 1st April 2004		42,641	129,325	129,942	(27,235)	274,673	296,832
Fund balances carried forward at 31st March 2005	18.	30,552	67,359	48,916	-	146,827	274,673

The statement of financial activities is equivalent to an income and expenditure account as permitted by Companies Act 1985. It relates entirely to the company's continuing activities and incorporates the statement of recognised gains and losses required by FRS3.


The company had no recognised gains or losses other than the surplus for the year.

COMMUNITY MUSIC EAST LIMITED
BALANCE SHEET
AS AT 31st MARCH 2005

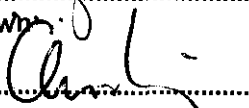
		2005		2004	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14.		67,359		129,325
Current assets					
Debtors	15.	31,079		23,922	
Cash at bank and in hand		107,629		139,405	
		138,708		163,327	
Creditors: amounts falling due within one year	16a.	(59,240)		(17,979)	
Net current assets			79,468		145,348
Total assets less current liabilities			146,827		274,673
Creditors: amounts falling due after more than one year			-		-
Net assets			146,827		274,673
Funds					
Unrestricted funds					
General		30,552		42,641	
Earmarked		67,359		129,325	
			97,911		171,966
Restricted funds					
General		48,916		129,942	
Capital project		-		(27,235)	
			48,916		102,707
			146,827		274,673

The 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 on pages 6 to 17 were approved by the Board of directors on 23.3.2006 and are signed on its behalf by:-



A Brown



C King

COMMUNITY MUSIC EAST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2005

1. Accounting policies

The significant accounting policies used in the preparation of these financial statements are:-

a. Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. In preparing the financial statements, the charity follows best practice as set out in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) issued in October 2000.

The basis of allocating certain income and staff costs between SOFA categories has been revised since 2004 in order to give a fairer presentation of the activities of CME. Comparative figures have been amended.

b. Incoming resources

All income is included in full in the Statement of Financial Activities as soon as it is received except where donations and grants relate to the funding of specific projects and these fall in whole or in part outside of the accounting period.

Claims from the National Foundation for Youth Music in connection with the Music Life Programme are made quarterly in advance against an agreed programme cash flow and on production of quarterly accounts.

c. Resources expended

Revenue expenditure is included in the Statement of Financial Activities on an accruals basis.

Capital expenditure is taken directly to the balance sheet with charges for depreciation and finance costs being included in the Statement of Financial Activities.

Grants payable to partner organisations are included in the SOFA when agreed with the other organisations. The value of such grants unpaid at the year end is accrued.

The majority of costs are directly attributable to specific activities. Certain shared costs are apportioned to activities in furtherance of the objects of the charity.

d. Depreciation

Office equipment and musical instruments are depreciated over their estimated useful lives being either two or three years. The vans are depreciated at a rate of 25% per annum on a reducing balance basis. Property improvements are depreciated to write down their value to nil at an estimated date of lease termination.

e. Cash flow statement

A cash flow statement is not included as part of these financial statements in view of the company falling outside the Scope of Financial Reporting Standard No. 1.

f. Government grants

Government grants are recognised, so as to match them with specific expenditure towards which they are intended to contribute.

COMMUNITY MUSIC EAST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2005

1. Accounting policies continued

g. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful economic lives. Obligations under such agreements are included in creditors net of the finance charges allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

h. Leasing and hire purchase commitments continued

All other leases are operating leases and the annual rentals are charged to the Statement of Financial Activities over the lease term

i. Pension scheme

The company operates a stakeholder pension scheme under which contributions by employees and by the company are held in trust funds separated from the company's finances.

The pension cost charge represents the contributions payable by the company under the rules of the scheme.

j. Funds accounting

Funds held by the charity are:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Earmarked funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds – these are funds that can only be used for 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.

Further description of the nature and purpose of funds is included in the notes to the accounts.

COMMUNITY MUSIC EAST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2005

	Unrestricted Funds		Restricted Funds		As Restated 2004 Total £
	General £	Earmarked £	General £	Capital Project £	
2. Activities in furtherance of the charity's objects					
Grant/statutory funding	34,171	-	16,092	-	46,985
NYFM	-	-	139,884	-	169,787
EEDA	19,544	-	31,254	-	108,722
Trusts and foundations	-	-	-	43,620	149,282
Other project income	106,014	-	4,035	-	116,809
	159,729	-	191,265	43,620	591,585
3. Investment income					
Bank deposit interest	2,194	-	1,260	-	2,610
4. Other incoming resources					
Sponsorship	241	-	-	-	1,000
Miscellaneous	1,046	-	-	-	6,504
	1,287	-	-	-	7,504

COMMUNITY MUSIC EAST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2005

	Unrestricted Funds		Restricted Funds		2005 Total £	As Restated 2004 Total £
	General	Earmarked	General	Capital Project		
	£	£	£	£		
5. Charitable expenditure						
Salaries, wages and NIC	42,858	-	50,004	-	92,862	122,322
Freelance musicians fees	31,914	-	52,406	-	84,320	82,130
Training programme	6,474	-	2,906	-	9,380	29,101
Recruitment costs	2,642	-	-	-	2,642	739
Travel and van costs	4,994	-	10,727	-	15,721	12,868
Equipment hire and maintenance	(124)	-	3,552	-	3,428	6,373
Rehearsal space	10,915	-	2,213	-	13,128	18,027
Product media	200	-	94	-	294	1,453
Programme brochures & marketing	2,737	-	2,707	-	5,444	7,224
Phone/post/stationery/office	5,010	-	2,581	-	7,591	14,028
Insurance	2,045	-	2,059	-	4,104	3,327
HP charges	-	72,439	-	-	-	418
Depreciation	-	-	-	-	72,439	78,803
Professional charges	503	-	4,000	16,385	20,888	17,840
Transfer to MLP partners	-	-	80,869	-	80,869	84,713
Bank charges	59	-	-	-	58	-
Feasibility study	-	-	-	-	-	9,832
	110,226	72,439	214,117	16,385	413,169	489,198
6. Costs of generating funds						
Salaries, wages and NIC	7,654	-	29,355	-	37,009	44,630
Phone/ post/ stationery/office	5,485	-	-	-	5,485	356
Publicity	6,427	-	894	-	7,321	14,448
Conference expenses	-	-	530	-	530	-
	19,566	-	30,779	-	50,345	59,434

COMMUNITY MUSIC EAST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2005

	Unrestricted funds		Restricted funds		As Restated	
	General	Earmarked	General	Capital Project	2005 Total	2004 Total
	£	£	£	£	£	£
7. Management and administration of the charity						
Salaries, wages and NIC	29,114	-	14,828	-	43,942	42,444
Recruitment costs	-	-	-	-	-	1,846
Premises costs	2,025	-	-	-	2,025	9,622
Bank and professional charges	6,439	-	3,079	-	9,517	15,649
Subscriptions and membership	1,552	-	-	-	1,552	520
Journals/technical	-	-	-	-	-	382
Depreciation	-	2,737	-	-	2,737	3,219
Insurance	2,706	-	-	-	2,706	-
Board expenses	1,208	-	-	-	1,208	1,544
	43,043	2,737	17,906	-	63,687	75,226
8. Transfers between funds						
Reclassification of opening fund balances	6,792	-	(6,792)	-	-	-
Purchase of fixed assets	(9,255)	13,210	(3,955)	-	-	-
	(2,463)	13,210	(10,747)	-	-	-

Transfers are explained further in note 17.

COMMUNITY MUSIC EAST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2005

9.	Work with partner organisations	2005	2004
		£	£

During the year, the following grants were received in connection with partnership arrangements (see note 2).

NYFM	139,884	169,787
EEDA	50,798	108,722
	<hr/>	<hr/>
	190,682	278,509
	<hr/>	<hr/>

The above grants include amounts received on behalf of the other partners (see note 5).

Norfolk Music Works Limited	59,658	59,764
Creative Arts East	21,211	24,949
	<hr/>	<hr/>
	80,869	84,713
	<hr/>	<hr/>

Cash at bank and in hand contains £ 18,066 (2004: £19,233) which has yet to be distributed to the consortium partners (including CME).

10.	Staff costs	2005	2004
		£	£

Salaries	151,272	184,007
Social security costs	14,712	15,448
Pension costs	7,828	9,941
	<hr/>	<hr/>
	173,812	209,396
	<hr/>	<hr/>

The average number of employees was:	12	18
	<hr/>	<hr/>

No employee earned £50,000 per annum or more.

The directors were not remunerated, or reimbursed for expenses

COMMUNITY MUSIC EAST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2005

11. Surplus for the year	2005	2004
	£	£

The surplus for the year is stated after charging:

Depreciation of tangible owned assets	75,176	80,863
Depreciation of tangible assets held under hire purchase agreements	-	1,514
Auditors' remuneration	3,421	3,231
Hire of other assets – premises	5,862	7,377

12. Capital commitments	2005	2004
	£	£

Amount contracted for but not provided in the financial statements

- -

13. Commitments under operating leases

At 31st March 2004 the company had annual commitments under non-cancellable operating leases as set out below:

	2005		2004	
	Land and Buildings	Other	Land and Buildings	Other
	£	£	£	£
Operating leases which expire:				
In years two to five	5,862	-	5,862	-

14. Tangible fixed assets

	Property improvements	Office equipment	Musical instruments & equipment	Vans	Total
	£	£	£	£	£
Cost					
At 1st April 2004	112,254	36,975	135,806	43,815	328,850
Additions	-	4,589	8,619	-	13,208
Disposals	-	-	-	-	-
At 31st March 2005	112,254	41,564	144,426	43,815	342,058
Depreciation					
At 1st April 2004	32,635	34,920	101,203	30,765	199,523
Charge for the year	36,747	2,737	31,342	4,350	75,176
Eliminated on disposal	-	-	-	-	-
At 31st March 2005	69,383	37,657	132,545	35,115	274,699
Net book value					
At 31st March 2005	42,872	3,907	11,881	8,700	67,359
At 31st March 2004	79,619	2,055	34,603	13,048	129,325

COMMUNITY MUSIC EAST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2005

The net book value of tangible fixed assets includes an amount of £Nil (2004: £4,541) in respect of assets held under hire purchase contracts.

Property improvements represents the cost of conversion of leased premises at 189 King Street, Norwich for use by the charity.

15. Debtors	2005	2004
	£	£
Amounts falling due within one year:		
Trade debtors	12,510	17,376
Prepayments and accrued income	18,569	6,546
	<hr/>	<hr/>
	31,079	23,922
	<hr/>	<hr/>
16. Creditors	2005	2004
	£	£
a. Amounts falling due within one year:		
Obligations under hire purchase contracts	-	232
Trade creditors and accruals	16,487	17,747
Taxation and social security payable	5,476	-
Deferred income	37,277	-
	<hr/>	<hr/>
	59,240	17,979
	<hr/>	<hr/>

COMMUNITY MUSIC EAST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2005

17. Funds accounting

The earmarked fund represents the net book value of tangible fixed assets.

All restricted general funds are for specific projects within the objects of the company.

Capital project restricted funds are funds raised in support of our project to establish a community music centre and recording studio in Norwich.

Each year an amount is transferred to or from the earmarked fund representing the net additions to fixed assets arising from purchases and disposals.

No restricted funds were in deficit at the year end.

18. Analysis of net assets between funds

	Tangible Fixed Assets £	Net current assets £	Total £
Unrestricted funds			
General	-	30,552	30,552
Earmarked	67,359	-	67,359
Restricted funds			
General	-	48,916	48,916
	67,359	79,468	146,827

19. Liability of members

Community Music East Limited is a company limited by guarantee with no share capital. Each member of the company is liable to £1 in the event of the winding-up of the company.

20. Taxation

The company is a registered charity and the results of its normal activities are not liable to corporation tax.

21. Pension commitments

The company operates a stakeholder pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension cost charge represents contributions payable by the company to the fund and amounted to £7,828 (2004 : £9,941).

Contributions totalling £1,407 (2004 : £Nil) were payable to the fund at the year end and are included in creditors.

COMMUNITY MUSIC EAST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2005

22. Acknowledgements

In 2004-05 Community Music East Ltd received support from the following trusts, foundations, organisations and companies:

Bertram Books - in kind
R S Brownless Charitable Trust
The Children's Fund Norfolk
Clapham & Collinge
The Kathleen Hannay Memorial Charity
Larking Gowen
The Linbury Trust
Norwich Union
Royal Eastern Counties Schools Limited
The Henry Smith Charity
The Baily Thomas Charitable Trust
The Tudor Trust

Grants were received from:

Arts Council of England,
Arts Council of England East
National Foundation for Youth Music
Norfolk County Council
Norwich City Council

Contracts were negotiated with:

Creative Partnerships Norfolk
East of England Development Agency
The European Union through the European Social Fund
Foundation for Youth Music through The Kids Club Network
Learning and Skills Council Norfolk
North Earlham, Larkman and Marlpit Development Trust
New Opportunities Fund through Barnardos and the Children's Play Council
UK Online

COMMUNITY MUSIC EAST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES 2000 - 2005

	2000 £000's	2001 £000's	2002 £000's	2003 £000's	2004 £000's	2005 £000's
Incoming resources						
Grant/statutory funding	18.7	27.6	12.3	74.9	114.8	50.3 *
National Foundation for Youth Music	-	80.0	321.2	230.2	169.8	140.0
East of England Development Agency	-	89.0	58.0	134.1	108.7	50.8
Feasibility study grants	-	5.0	-	-	-	-
National Lottery Charities Board	0.1	-	-	-	-	-
ACE Lottery Charities Board	25.6	17.5	13.9	-	-	-
Other project income *	20.7	32.9	70.0	57.9	29.3	110.0
LSC contracts	-	-	25.3	27.8	19.4	-
NELM contracts	-	-	-	2.8	0.3	-
Investment income	0.6	1.2	3.5	2.7	2.6	3.5
Trust and foundations	106.5	77.5	79.4	97.5	149.3	43.6
Donations, legacies, etc	5.6	0.2	-	-	-	-
Sponsorship	-	2.0	0.7	5.1	1.0	0.2
Miscellaneous	1.2	0.2	0.2	2.2	6.5	1.0
Total incoming resources	179.0	333.1	584.5	635.2	601.7	399.4

* The basis of allocation of income to "Grant/statutory funding" and "Other project income" was amended for 2005.

COMMUNITY MUSIC EAST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES 2000 - 2005

	2000 £000's	2001 £000's	2002 £000's	2003 £000's	2004 £000's	2005 £000's
Resources expended						
Salaries, wages and NiC	45.9	57.20	180.7	180.0	209.4	173.8
Freelance musicians fees	25.5	36.7	26.2	46.3	82.1	84.3
Training programme	2.2	1.7	9.1	8.2	29.1	9.4
Transfers to MLP partners	-	93.5	152.8	130.3	84.7	80.9
Venue costs	3.2	2.9	7.0	10.8	18.0	13.1
Travel and van costs	6.4	7.4	10.3	10.1	12.8	15.7
Product media	-	-	2.6	2.9	1.5	0.3
Equipment hire and maintenance	1.2	1.8	2.2	7.0	6.4	16.9
Publicity and marketing	6.3	8.9	8.7	16.4	21.7	12.8
Premises costs	7.2	7.8	13.0	13.8	9.6	2.0
Phone/post/stationery/office	6.7	8.6	12.6	12.2	14.4	13.1
Insurance	1.2	1.3	2.4	2.9	3.3	4.1
Secretarial and bookkeeping	3.3	1.6	-	-	-	2.7
Professional charges	9.6	16.2	58.3	11.6	33.5	31.0
Subscriptions and membership	0.3	(0.2)	0.9	0.3	0.5	1.6
Journals/technical	0.2	0.2	0.4	0.6	0.4	-
Conference expenses	0.4	0.7	-	-	-	-
Miscellaneous	1.3	1.0	-	-	-	-
Recruitment costs	-	3.6	0.1	2.8	2.6	2.6
Feasibility study	-	22.3	(4.7)	13.0	9.8	-
HP charges	0.4	0.4	0.7	0.4	0.4	-
Depreciation	18.1	14.6	28.0	41.9	82.1	75.2
Board expenses	-	-	-	-	1.5	1.2
Total resources expended	139.4	288.2	511.3	511.5	623.8	527.2
Net movement in funds						
Fund balances brought forward	39.6	44.9	73.2	123.7	(22.1)	(127.8)
	15.4	55.00	99.9	173.1	296.8	274.7
Fund balances carried forward	55.0	99.9	173.1	296.8	274.7	146.9

This page is prepared for management purposes only and does not form part of the statutory accounts.