

**COMPANY REGISTRATION NUMBER 2807620**

**RAW MATERIAL MUSIC AND MEDIA EDUCATION  
LIMITED**

**COMPANY LIMITED BY GUARANTEE**

**FINANCIAL STATEMENTS**

**FOR**

**31 MARCH 2010**

**Charity Number 1020066**

**WEDNESDAY**



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**RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED  
COMPANY LIMITED BY GUARANTEE**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

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# **RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' ANNUAL REPORT YEAR ENDED 31 MARCH 2010**

The trustees, who are also directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2010

### **REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Registered charity name</b>	Raw Material Music and Media Education Limited
<b>Charity registration number</b>	1020066
<b>Company registration number</b>	2807620
<b>Registered office</b>	Fifth Floor Julco House 26 -28 Great Portland Street London W1W 8AS
<b>Independent Examiner</b>	Jeffrey Lishak FCA Jones & Partners Fifth Floor Julco House 26 – 28 Great Portland Street London W1W 8AS

### **THE TRUSTEES**

The trustees who served the charity during the period were as follows

Dr J S Gundara  
A S Nijjar  
C Morgan  
S Richards  
T Read (appointed 24 November 2009)  
A Knight (appointed 24 November 2009)

**Secretary** A S Nijjar

### **OBJECTIVES OF RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED**

The principle activities of the company are to promote education and training in the creative and expressive arts and media of every description, and to advance the spiritual educational physical cultural and social welfare of young people and in particular those living in inner city areas

### **Risk Review**

The Board revisited its previous analysis of the major risks that could affect the charity's operations. We continued to work through our action plan to address the risks that seemed most serious and most likely

### **LEGAL STATUS**

Raw Material Music and Media Education Limited is company limited by Guarantee and not having a share capital



# **RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' ANNUAL REPORT (continued)  
YEAR ENDED 31 MARCH 2010**

## **Raw Material**

- Getting young Londoners active in industry-standard accredited performance and production, film, photography and digital media projects
- Nurturing some of London's best and most happening original talent in music and media

### **The fundamental vision of Raw Material remains as:**

*A vision that sees the arts and creativity as a central theme in community cohesion, personal and professional development and enabling contributions to be made collectively to creating better societies, based on human rights, shared needs, common aims and principles with achievable outcomes Raw Material has the vision to see young people working in the arts developing positivity, thriving, succeeding and contributing to their communities*

### **And the mission remains as:**

*Raw Material's mission is to empower and enable, by providing high quality art experiences, development and professional outcomes for emerging young artists, in particular from the Black and minority ethnic community, in inner city areas that experience social economic deprivation and exclusion, and to provide a professional world class platform for the presentation of new work and the development of new audiences*

Raw Material is proud of its achievements over the last 10 years and in particular over the last year following the financial difficulties of 2008-9. These could not have been achieved without the investment by ACE, LB Lambeth and our many funders in the premises and programmes in Brixton. The premises, and the facilities provided, have proved a valuable resource to both the immediate community in Brixton, but also as part of joint venture activities with other like-minded organisations. We believe that Raw Material has, and will continue, to play an important and fundamental role in this aspiration.

Raw Material has identified the need to strengthen existing practices through the ongoing restructuring of Raw Material, identifying options available to the organisation and by investigating the possibilities of partnership approaches in order to increase capacity, quality and reach.

During the year, we worked with 350 young people and delivered almost 28,000 hours of activities, as recorded through the monitoring statistics sent quarterly to LB Lambeth. Some of the activities were accredited through Trinity Guildhall Arts Award Bronze and Silver levels and these were awarded to 20 young people.

The programme has been supported by the Arts Council England, London Borough of Lambeth Arts, Lambeth Education, Evan Cornish Foundation, BBC Children in Need, the Youth Justice Board, First Light Movies, the City Parochial Foundation/ Trust for London, and contributions from Connexions and Streetleague.





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**RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' ANNUAL REPORT (continued)  
YEAR ENDED 31 MARCH 2010**

**The 2009-10 programme**

**The artistic programme had five main areas of activity**

- **Arts and education programme**
- **Music and artist development**
- **Live music and touring**
- **Film production**
- **International programme**

**The following activities took place:**

**Academy Options** - funded by Lambeth schools, this was a year- long arts education and engagement programme for young people at risk of exclusion, covering music photography and performance work, Arts Award accredited

**Academy music 'Raw Essence'** - live music workshops 4 hours weekly for 45 weeks for 10 young musicians and singers to develop, produce, rehearse and perform their own original music. This project has enabled the participants to develop new skills in music and singing and they performed at 11 live events during the year, including events at Lambeth Country Show 'Cultivate' Stage and Hackney Empire. They have now progressed to a semi professional level and they have recorded two mini albums (6 track EP's). This project was supported by volunteers and a music mentor.

**Work with venues**

We continued working with both existing and in developing relationships with London venues, developing work with the aim to present cross art form work in accessible venues and drawing diverse audiences from across the London region with

**The Fridge, Jamm, The Ritzy, Hackney Empire, Bar Changa, Southbank centre and the BFI, Cultivate stage - Lambeth Country Show, Charlotte Street Blues, Leonard St Gallery, Black Rat Press Gallery**

A series of live music and mixed media events have taken place from May - December 2009, at the Ritzy cinema, at the Black Rat Press gallery and two events at the Lambeth Country Show "Cultivate" stage) and a further six live music events took place culminating in two events at Hackney Empire, one of which was filmed by the BBC as part of a documentary of young people leaving care. A further event took place at the Charlotte Street Blues in the West End in February 2010.

**Raw Mix and Raw Essence recording projects**

Young people worked with our in house producer over 10 weeks on recording an album of their music work. 10 young artists were involved in recording, mixing and mastering this CD called *Raw Mix*, a combination of hiphop, grime and Rn'B music.

**Summer Arts College** - run in association with the local Youth Offending Team, this project offered 10 young "tagged" offenders the opportunity to participate in a music and photography course full time over five weeks. The group all achieved an Arts Award bronze level and presented their work at an event at Lambeth Town Hall attended by the mayor of Lambeth (additional funding from funded from Youth Justice Board).

# **RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' ANNUAL REPORT (continued) YEAR ENDED 31 MARCH 2010**

### **First Light Movies studio award**

This was a one year documentary film production project, comprising workshops and production on weekends, holidays and evenings. This project involved developing ideas and producing four short documentaries about issues affecting youth, which covered teenage depression, crime, health and confidence and personal safety. The work in progress was screened at the Ritzy in Brixton in 2009 ('Raw Essence') and some participants progressed to be involved in the 'Raw Flix' hub project that took place in April 2010 with the BFI 'Future Film' programme. This project has helped the participants to progress to FE college courses in performing arts and media.

**Raw Media** – this was run in association with Connexions Prospects employment services 6 - 9 hours per month to engage and motivate NEET young people in Lambeth. This project offered music, photography and video linked to drama and life skills. The 80 participants we worked with during the year (10 per session) received additional mentoring and career support advice and guidance from Connexions over two weeks to help them find progression routes to college or employment (additional funding from Connexions).

**Goals** - this was a film based project run in association with Streetleague, which provided a five week programme for NEET young people, that links arts and football with personal development, life skills and career guidance.

Raw Material provided three four day film projects where a total of 45 participants (15 per project) made two short films on each project, a total of nine films devised, filmed and produced by the participants. The results were then screened at the FA in London (additional funding from Streetleague).

**Raw Hub** - three 10 day projects took place during the year attended by 25 people. This project was an up skilling opportunity for unemployed young people to develop design and business skills for the creative industry sector. Participants produced music in the studio and then the associated packaging, branding, logos and letterheads for their prospective business ideas.

**Academy - Community access** Throughout the year, Raw Material provided 6 hours per week open access sessions for all young people who were attending the Academy and associated projects to access the facilities on a booking basis - for music studio sessions, internet access and general IT.

### **KAAF- International programme**

We ran a week long film making programme for KAAF, the KwaZulu African film festival in Kwamashu South Africa, delivering photography and documentary film making course and production project, the results of which were screened at the festival. We continued working with the Afro Manding drummers in the Gambia, supporting their development and profile through the 2008 recording work, redesigning and printing the album.

### **Local Area Agreement**

Raw Material worked during the year with LB Lambeth's Local Area Agreement, (LAA) that prioritised work with young people under 19. Through this programme we were able to achieve a significant number of outcomes and contributed to the overall strategic aims of providing better opportunities for excluded young people, to regeneration and sustainable and cohesive communities.



# **RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' ANNUAL REPORT (continued)  
YEAR ENDED 31 MARCH 2010**

## **Lambeth Creative Action Partners**

We worked closely with Lambeth's Creative Action Partners, a group of arts, education and community organisations that work with young people and seek to provide cohesive and proactive approaches to work with young people in south London and to promote the sector and provide advocacy and support. Overall, this partnership achieved an overall success rate in Lambeth that exceeded the expectations of the LAA.

## **Our view of the artistic quality of the work produced and how this was assessed**

From our evaluation, feedback and participant tracking we can report that the participants have been able to use the experience, new skills and evidence of their projects and the accreditation to progress to further education and in some cases employment. Participation in the projects has enabled young people to gain new skills, confidence and self esteem and it has contributed in general to community cohesion, improved community dialogue and positive and diversionary activities and positive attitudes in young people.

## **Outcomes**

The following outcomes were achieved during the year

- 28,000 hrs of activities were provided
- 9 short films were produced
- 2 music album projects were produced
- 11 cross art form and live music performance events were presented
- 350 young people participated in the programmes
- 15 gained Bronze level Arts awards
- 5 gained Silver Arts awards
- 100 progressed to Further education
- 30 gained employment
- 30 are continuing with courses at Raw Material
- 15 are working as semi professional musicians and singers
- 2 are continuing as youth peer mentors
- 3 are involved in youth steering groups (BFI) and on Board student representation at Raw Material

## **Participants gained skills, experience and qualifications in:**

- Music technology
- Studio recording
- Song writing, arranging and composition
- Live playing skills, guitar, bass, keyboards, saxophone and drums
- Performance and presentation skills and professional experience
- Event management and production
- Film script writing, film production and editing
- Photography
- Life and communications skills and personal development
- Graphic Design
- IT skills
- Web skills

# **RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' ANNUAL REPORT (continued)  
YEAR ENDED 31 MARCH 2010**

## **Evidence of this**

We gained evidence of the outcomes and outputs through the following

- Youth forum feedback
- Participant feedback and evaluation
- Local authority monitoring statistics provided on a quarterly basis
- Student Arts Award portfolios moderated by Trinity Guildhall
- Example music CD's and DVD films
- Photographs and project video recordings
- Performance event videos
- Number of participants gaining entrance to college
- Statistics on non offending and participants less likely to have an involvement in crime and anti social behaviour
- Clearly observed positive attitudes
- Involvement in community creative sector forums and steering groups
- Continuing involvement on projects

## **Particular successes, challenges and lessons learned in 2009/10 and how these will inform our future planning**

Raw Material has been through a period of development over the last three years that saw a number of adventurous and ambitious new initiatives linked to professional development in a number of areas, across club events, a record label, international work in three countries, film and a youth arts academy

It became clear in mid 2008 that the capacity to maintain this level of activity and investment was beyond the means of the company. Income was down, fund raising had not been successful, costs had increased and it was therefore decided to draw a line in October 2008 and re define the activities and future, taking a fresh view and a more pragmatic approach

Following discussions with our senior management, the board and suggestions from ACE music department, we identified the need to strengthen existing practices through restructuring Raw Material, identify options available to the organisation and to investigate the possibilities of a partnership approaches in order to increase capacity, quality and reach

In 2010-11 Raw Material is continuing to develop new programmes and the ACE and other funding has made a great contribution to keeping these opportunities open and accessible to people from excluded and disadvantaged communities, where there are limited if not non-existent opportunities and resources. In a climate of cuts and financial downturn this has proved invaluable

2011 will bring major challenges for the third sector and for the arts and inclusion, where cuts are anticipated and Raw Material is unsure whether it will receive any support from the Arts Council of England, which is the major funding source which keeps the building running

## **Key developments for the organisation**

### **Governance**

Raw Material recruited 10 new people to an advisory Board who participated in the restructuring process. Through outside commitments the advisory Board went down to six people of whom three became Trustees

# **RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' ANNUAL REPORT (continued) YEAR ENDED 31 MARCH 2010**

### **Management structure**

The management structure was revised and new systems implemented for the management and supervision of the programme delivery team. The charity director and Programme director continued to work closely with the Board throughout this process with the consultant and advisors.

### **Encouraging attendance and participation**

Marketing and promoting of the programme was achieved through links with websites, through the London What's Up distribution network. The Raw Essence live music touring project built up audiences across London. As was found in the monitoring data provided by LB Lambeth, high levels of participation were achieved which met the Local Area Agreement targets (28,000 hours).

### **Public Benefit Reporting**

The trustees have taken account of the statutory reporting duty introduced in 2009 to illustrate how in practice the activities of Raw Material meet the legal public benefit requirement. In this respect, the trustees have noted and paid due regard to all the Charity Commission's statutory guidance that is relevant to our mission, and have highlighted in this report examples of Raw Material's activities which illustrate how our work fulfils its mission and the significant benefits it brings to individuals and communities in poverty areas, irrespective of their race, religion or creed.

### **Developments in relation to issues identified in previous reports**

Following the difficulties experienced in late 2008 with finance, staffing and programme, new structures were put in place by the director and Board for financial management, staffing and the artistic programme.

A revised artistic programme was put in place for April 2009, following management recommendations and financial considerations. This did not affect quality but the artistic direction was amended accordingly to address the issues that had caused the difficulties in late 2008/9. The financial situation and deficit was addressed and resolved and the account was put in credit.

### **Restructuring programme**

Funded by ACE Grants for the Arts award, the restructuring period in 2009 involved Raw Material management, Board and a consultant. The aim was to explore a series of options being a merger with another organisation, "staying as is" or selling the premises and relocating and to restructure the organisation accordingly. The final decision was taken to "stay as is" and to overhaul the organisation, programme, staff and finance, which were successfully carried out during the year.

### **2010/11 funding year and beyond**

Raw Material has successfully restructured and re-established itself during 2009-10, and moves into 2010-11 with a new Board, staff team and aspirations.

The artistic programme has developed and new and exciting partnerships are being developed across the sector, from voluntary community groups to residencies at the BFI Southbank centre. The charities finance has been stabilised and reserves built up. However, the main issue is the uncertainty over the ACE subsidy from 2012, which would impact on the ability of Raw Material to continue and maintain the Brixton building. These matters are currently being dealt with and plans drawn up for the future of the organisation.



**RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' ANNUAL REPORT (continued)  
YEAR ENDED 31 MARCH 2010**

**Partnerships during the year**

Yeast Culture, OM Unit  
BFI Southbank centre – residency, events and master classes and audience development  
Lambeth Creative Action Partners- borough arts strategy and delivery, on going  
Rolling Sound - project development  
Maudesley NHS Trust - 'Stereohype' and 'Key Changes' (Islington Music Forum)  
Capital Community Foundation 'On Track' NEET project, 24 week programme  
Hear Dat live events and artist development, on going  
SHED - community studio artist collaborations and recording work, on going  
Prince's Trust – 'Get Into' arts projects for NEET young people, 7 day project, to be repeated  
Wired 4 Music - youth music development network  
JAMM - live music event collaborations  
Youth-Led Media Network - Arts incubator support

**Developments**

Lambeth Education - Foundation Learning 14-19 programme  
Incubator Hub - development for creative business start up and individual entrepreneurs  
Online promotion and development (iWahh official unsigned music chart)

**Arts education**

Lambeth Schools Engagement programme Music and Media 1 year 3 terms Arts Award  
Lambeth Summer University - multi arts summer programme - "Tag and Skank" visual arts music and dance project  
Foundation Learning - development with Lambeth education for autumn 2010/Spring 2010  
OCN (Open College Network) accreditation centre preparation for late 2010

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Signed on behalf of the trustees

  
C Morgan

Date 10.12.2010





**RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF  
RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED  
YEAR ENDED 31 MARCH 2010**

I report on the financial statements of the charity for the year ended 31 March 2010 set out on pages 12 to 20

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As the charity's trustees you are responsible for the preparation of the financial statements, you consider that the audit requirement of section 43(2) of the Charities Act 1993 (the Act) does not apply and that an independent examination is needed. It is my responsibility to state, on the basis of the procedures specified in the General Directions given by the Charity Commissioners under section 43(7) of the Act, whether particular matters have come to my attention.


**BASIS OF INDEPENDENT EXAMINER'S STATEMENT**

My examination was carried out in accordance with the General Directions given by the Charities Commissioners. 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, I do not express an audit opinion on the view given by the financial statements.

**INDEPENDENT EXAMINER'S STATEMENT**

In connection with my examination, no matter has come to my attention

- (1) which gives me reasonable cause to believe that in any material respect the requirements
  - (a) to keep accounting records in accordance with section 386 of the Companies Act 2006, and
  - (b) to prepare accounts which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charities have not been met or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

  
~~Jeffrey Lishak FCA~~  
Jones & Partners  
Chartered Accountants  
Fifth Floor Julco House  
26 – 28 Great Portland Street  
London  
W1W 8AS

Date 10 December 2010

**RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)**

**YEAR ENDED 31 MARCH 2010**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generating funds					
Voluntary income	2	192,806	–	192,806	222,670
Investment income	3	28	–	28	160
Incoming resources from charitable activities	4	<u>37,360</u>	<u>–</u>	<u>37,360</u>	<u>63,540</u>
<b>TOTAL INCOMING RESOURCES</b>		<u>230,194</u>	<u>–</u>	<u>230,194</u>	<u>286,370</u>
<b>RESOURCES EXPENDED</b>					
Charitable activities	5/6	(162,486)	–	(162,486)	(257,024)
Governance costs	7	<u>(10,768)</u>	<u>–</u>	<u>(10,768)</u>	<u>(10,903)</u>
<b>TOTAL RESOURCES EXPENDED</b>		<u>(173,254)</u>	<u>–</u>	<u>(173,254)</u>	<u>(267,927)</u>
<b>NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS</b>		56,940	–	56,940	18,443
<b>OTHER RECOGNISED GAINS/LOSSES</b>					
Unrealised gains/(losses) on fixed asset		<u>700,000</u>	<u>–</u>	<u>700,000</u>	<u>–</u>
<b>NET INCOMING RESOURCES FOR THE YEAR</b>		756,940	–	756,940	18,443
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		(43,796)	10,946	(32,850)	(51,293)
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>713,144</u>	<u>10,946</u>	<u>724,090</u>	<u>(32,850)</u>

The notes on pages 15 to 20 form part of these financial statements



**RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED  
COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET**

**31 MARCH 2010**

	Note	2010 £	£	2009 £
<b>FIXED ASSETS</b>				
Tangible fixed assets	14		700,000	-
<b>CURRENT ASSETS</b>				
Debtors	11	14,408		527
Cash at bank and in hand		46,786		16,076
		61,194		16,603
<b>CREDITORS. Amounts falling due within one year</b>	12	(17,145)		(19,473)
<b>NET CURRENT LIABILITIES</b>			44,049	(2,870)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			744,049	(2,870)
<b>CREDITORS: Amounts falling due after more than one year</b>	13		(19,959)	(29,982)
<b>NET ASSETS</b>			724,090	(32,850)
<b>FUNDS</b>				
Restricted funds	15		10,946	10,946
Unrestricted funds	16			
Unrestricted income funds		13,144		(43,796)
Revaluation reserve		700,000		-
			713,144	
<b>TOTAL FUNDS</b>			724,090	(32,850)

The notes on pages 15 to 20 form part of these financial statements



**RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED  
COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET (CONTINUED)**

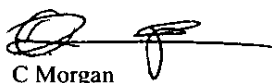
**31 MARCH 2010**

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

For the financial year ended 31 March 2010, the charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006. No member of the charitable company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The trustees acknowledge their responsibilities for ensuring that the charitable company keeps proper accounting records which comply with section 386 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its surplus or deficit for the financial year in accordance with the requirements of section 394 and 395, and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the charitable company.

These financial statements were approved by the members of the committee on the *10 December 2010* and are signed on their behalf by

  
C Morgan

**Company registration number: 2807620**

**The notes on pages 15 to 20 form part of these financial statements**





# **RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

### **1 ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006

#### **Cash flow statement**

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small

#### **Incoming resources**

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when

- The donor specifies that the grant or donation must only be used in future accounting periods, or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement

#### **Resources expended**

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

#### **Accumulated funds**

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Designated funds are unrestricted funds earmarked by the management committee for particular purposes.



**RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

**1. ACCOUNTING POLICIES (continued)**

**Funds structure**

The Trust has one restricted income fund to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose

**Legal status**

Raw Material Music and Media Education Limited is a company limited by guarantee and has no share capital

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold property

**2. VOLUNTARY INCOME**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
<b>Grants receivable</b>				
Local government grants	162,250	–	162,250	179,858
Grant making trusts	30,556	–	30,556	42,812
	<u>192,806</u>	<u>–</u>	<u>192,806</u>	<u>222,670</u>

**3. INVESTMENT INCOME**

	Unrestricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Bank interest receivable	<u>28</u>	<u>28</u>	<u>160</u>

**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Sales and hire of services	<u>37,360</u>	<u>37,360</u>	<u>63,540</u>



**RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

**5. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE**

	Unrestricted Funds £	Total Funds 2010 £	Total Funds 2009 £
General activities	<u>162,486</u>	<u>162,486</u>	<u>257,024</u>

**6. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE**

	General activities £	Total Funds 2010 £	Total Funds 2009 £
General activities	<u>162,486</u>	<u>162,486</u>	<u>257,024</u>

**7. GOVERNANCE COSTS**

	Unrestricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Salaries and wages	—	—	—
Employer's NIC	—	—	—
Accountancy fees	2,988	2,988	3,177
Legal fees	6,029	6,029	2,363
Interest payable	376	376	692
Loan interest	1,093	1,093	2,850
Other financial costs	<u>282</u>	<u>282</u>	<u>1,806</u>
	<u>10,768</u>	<u>10,768</u>	<u>10,903</u>

**8. TAXATION**

The charitable company is a registered charity and is exempt from taxation under the provisions of the Income and Corporation Taxes Act 1988

**RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

**9. STAFF COSTS AND EMOLUMENTS**

**Total staff costs were as follows:**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>35,184</b>	42,055
Social security costs	<b>3,180</b>	4,062
	<b><u>38,364</u></b>	<b><u>46,117</u></b>

**Particulars of employees:**

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

	<b>2010</b>	<b>2009</b>
	<b>No</b>	<b>No</b>
Number of staff	<b><u>3</u></b>	<b><u>3</u></b>

**10 ACCOUNTANCY FEES**

Accountancy fees of £2,988 (2009 - £3,177) related solely to the independent examination of the accounts

**11 DEBTORS**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Other debtors	<b><u>14,408</u></b>	<b><u>527</u></b>

**12. CREDITORS: Amounts falling due within one year**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Bank overdraft	<b>715</b>	718
PAYE and social security	<b>1,255</b>	4,422
Other creditors	<b>6,775</b>	5,933
Loan (secured)	<b>8,400</b>	8,400
	<b><u>17,145</u></b>	<b><u>19,473</u></b>

**13 CREDITORS. Amounts falling due after more than one year**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Loan	<b><u>19,959</u></b>	<b><u>29,980</u></b>

The loan is secured on the freehold property by way of a legal mortgage



**RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

**14. TANGIBLE FIXED ASSETS**

	<b>Freehold property £</b>
<b>COST OR VALUATION</b>	
At 1 April 2009	-
Revaluation	<u>700,000</u>
At 31 March 2010	<u>700,000</u>
<b>NET BOOK VALUE</b>	
At 31 March 2010	<u>700,000</u>
At 31 March 2009	<u>-</u>

In 1999 Raw Material Music and Media Education Limited acquired the freehold of 2 Robert Street SW9 0DJ. The acquisition was funded by grants to cover the capital cost of £200,000 and equipment costs of £160,000. These funds are repayable if the building is disposed of within 20 years.

During the year, the trustees decided to include the freehold property at market value. Previously, the asset was not included on the balance sheet as the asset was valued at cost and was offset by the liability. The corresponding liability of £360,000 has not been provided for as the trustees do not intend to sell the building during the 20 year period.

The freehold property was valued by the trustees, who are of the opinion that it is not materially different from the open market value.

**15. RESTRICTED FUNDS**

	<b>Balance at 1 Apr 2009 and at 31 Mar 2010 £</b>
Restricted funds	<u>10,946</u>

There have been no movements on restricted funds during the year ended 31 March 2010.

**16. UNRESTRICTED FUNDS**

	<b>Revaluation reserve £</b>	<b>General funds £</b>
At 1 April 2009	-	(43,796)
Net surplus incoming resources for the year	-	56,940
Revaluation reserve	<u>700,000</u>	<u>-</u>
<b>Total Funds</b>	<u>700,000</u>	<u>13,144</u>





**RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Net current assets £</b>	<b>Total £</b>
<b>Restricted Income Funds</b>		
Restricted funds	<b>10,946</b>	<b>10,946</b>
<b>Unrestricted Income Funds</b>	<b>713,144</b>	<b>713,144</b>
<b>Total Funds</b>	<b><u>724,090</u></b>	<b><u>724,090</u></b>

**18. COMPANY LIMITED BY GUARANTEE**

Raw Material Music and Media Education Limited is company limited by Guarantee and not having a share capital

**19. COMMITMENTS**

At the year end, the company had annual commitments of £6,796 (2009 - £6,796) under operating leases

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**RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED  
COMPANY LIMITED BY GUARANTEE**

**MANAGEMENT INFORMATION**

**YEAR ENDED 31 MARCH 2010**

**The following pages do not form part of the statutory financial statements  
which are the subject of the independent examiner's report on page 11.**

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**RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED  
COMPANY LIMITED BY GUARANTEE**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**

**YEAR ENDED 31 MARCH 2010**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>INCOMING RESOURCES</b>		
<b>VOLUNTARY INCOME</b>		
Local government grants	<b>162,250</b>	179,858
Grant making trusts	<b>30,556</b>	42,812
	<u><b>192,806</b></u>	<u>222,670</u>
<b>INVESTMENT INCOME</b>		
Bank interest receivable	<b>28</b>	160
	<u><b>28</b></u>	<u>160</u>
<b>INCOMING RESOURCES FROM CHARITABLE ACTIVITIES</b>		
Sales and hire of services	<b>37,360</b>	63,540
	<u><b>37,360</b></u>	<u>63,540</u>
<b>TOTAL INCOMING RESOURCES</b>	<u><b>230,194</b></u>	<u>286,370</u>

**RAW MATERIAL MUSIC AND MEDIA EDUCATION LIMITED  
COMPANY LIMITED BY GUARANTEE**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**

**YEAR ENDED 31 MARCH 2010**

	2010 £	2009 £
<b>RESOURCES EXPENDED</b>		
<b>CHARITABLE ACTIVITIES</b>		
Wages & Salaries	35,184	42,055
Employer's NIC	3,180	4,062
Rent	-	4,160
Light & heat	3,053	1,068
Repairs & maintenance	6,444	13,992
Insurance	2,728	3,256
Other	446	-
Telephone	1,925	2,455
Office Equipment	1,107	3,584
Studio Equipment	11,920	5,219
Visual Equipment	2,914	5,195
Motor Expenses	60	-
Internet Costs	1,612	1,473
Postage and stationery	3,762	2,108
Travel and transport	8,166	11,144
Tutor Fees	40,497	60,927
Sundry Expenses	-	77
Advertising	2,154	43,151
Subscriptions	469	239
Training	72	-
Project expenses	7,765	141
Operational staff	24,353	20,550
Artist development	2,730	28,570
Irrecoverable VAT	1,281	2,518
Equipment repair	664	1,080
	<u>162,486</u>	<u>257,024</u>
<b>GOVERNANCE COSTS</b>		
Salaries and wages	-	-
Employer's NIC	-	-
Accountancy fees	2,988	3,177
Legal and professional fees	6,029	2,363
Interest payable	376	692
Loan interest	1,093	2,865
Other financial costs	282	1,806
	<u>10,768</u>	<u>10,903</u>
<b>TOTAL RESOURCES EXPENDED</b>	<u>173,254</u>	<u>267,927</u>
<b>NET INCOMING RESOURCES FOR THE YEAR</b>	<u>56,940</u>	<u>18,443</u>

