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SPITALFIELDS

Spitalfields Festival Limited

Reports and Financial Statements
For the year ending 31 December 2003



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SPITALFIELDS FESTIVAL LIMITED

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COMPANY INFORMATION

DIRECTORS:

George Law (Chair)
Robin Saphra (Vice Chair)
Michael Bear
Andrew Blankfield
Francis Carnwath
Katharine Jenkins
John McCuin
Anthony Whitworth-Jones

SECRETARY:

George Law

REGISTERED OFFICE:

Field Fisher Waterhouse
35 Vine Street
LONDON EC3N 2AA

AUDITORS:

Arthur Goddard & Co.
2 St John's Place
St John's Square
LONDON EC1M 4NP

SOLICITORS:

Field Fisher Waterhouse
35 Vine Street
LONDON EC3N 2AA

BANKERS:

Barclays Bank PLC
54 Lombard Street
LONDON EC3P 3AH

COMPANY REGISTRATION:

3138347

CHARITY REGISTRATION:

1052043

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 31 December 2003.

Charitable Status

The company is limited by guarantee and is registered with the Charity Commission for England and Wales. The company is governed by the Memorandum and Articles of Association.

Charitable Object

The principal object of the Spitalfields Festival is to promote enjoyment and discovery of music through a programme of concerts each June and December and year-round education and community activities, encouraging and supporting the broadest range of participants to develop their experience of music.

Organisational Structure

The affairs of Spitalfields Festival are managed by the members of Council, shown below, supported by associate members, who sit on the finance & legal, artistic, education & training and staffing sub-committees and the development working group.

Day-to-day management is the responsibility of a permanent administrative team of nine led by the Executive Director, Judith Serota.

Composer Jonathan Dove took on the role of Artistic Director for five years from December 2001. Jonathan Dove is one of Britain's leading composers and is actively involved in the Education & Community Programme.

Directors

The following directors held office throughout the year unless otherwise stated:

George Law, Chair
Robin Saphra, Vice Chair
Michael Bear
Marjorie Glynne-Jones (resigned 3 June 2003)
John McCuin
Christopher Sayers (resigned 3 June 2003)
Michael Smith (resigned 24 February 2003)
Francis Carnwath
Andrew Blankfield (appointed 13 October 2003)
Katharine Jenkins (appointed 25 March 2003)
Anthony Whitworth-Jones (appointed 25 March 2003)

We would like to thank Marjorie Glynne-Jones, Christopher Sayers and Michael Smith who resigned from the Council during the year.

Review of Activities

Spitalfields Festival continues to programme a wide variety of music, primarily (but not exclusively) Western classical music and including a significant amount of early and new music, including Festival commissions. Our extensive year-round Education & Community Programme includes projects in schools, and workshops and residences with young people and adults throughout the borough of Tower Hamlets.

The Festival produces a full, illustrated report on its activities each August. Copies of this report are available from the Festival office.

2003 Festival Highlights

In planning the 2002-2004 Festivals, Artistic Director Jonathan Dove is exploring themes of immigration in the Spitalfields area. In June 2003 the Festival had a Huguenot strand and Bengali, Irish and Somali strands are planned for 2004, 2005 and 2006 respectively.

The programme

- 52 events in the Summer Festival 2003 in 13 venues over 19 days
- 11 events in the Winter Festival 2003 at Shoreditch Church over 9 days

REPORT OF THE DIRECTORS (continued)

- 25 Education & Community Programme projects in this academic year
- 13 world and 6 UK premieres, including 2 Festival commissions from Terry Mann and David Knotts
- 13 walks, talks and exhibitions held throughout the local area in June plus a programme of fringe events
- Tickets are always available at £5 or under and one third of all events are completely free

The people

- 7,364 people attended the Summer Festival, a similar level to 2001 but a decrease from the record-breaking total of 10,264 last year
- 2,041 people attended free daytime and evening events. This is a decrease from 3,477 last year as we were not able to hold the popular free concerts in Old Spitalfields Market
- 4,341 people were involved in the Education & Community Programme; this is 16% less than last year due to a more focused and targeted programme
- The Education & Community Programme worked with 108 artists, 11 apprentice artists, and 32 teachers in 14 primary schools, 2 special schools, 4 secondary schools and 14 community groups
- 67% of the school participants in the Education & Community Programme are Bangladeshi; 85% of our adult audiences define themselves as being white British
- 66% average capacity was reached for ticketed evening concerts in June
- 94% average capacity for an extended programme of walks and talks
- 49% of the audience booked for Summer Festival events for the first time
- 46% of the Summer Festival audience heard music by living composers
- 2,318 people attended the Winter Festival 2003, a 9% decrease on last years record breaking attendance
- 43% of the audience booked for Winter Festival events for the first time, a 12% increase from 2002

The profile

Education & Community Programme received a shortlist nomination for the prestigious Royal Philharmonic Society award this year.

Press coverage included 19 reviews and 47 previews and articles about Spitalfields Festival during the year. In total more than 160 positive reports about the Festival were seen in national and local media, raising public awareness of Spitalfields and the surrounding area.

13 concerts were recorded by BBC Radio 3, including a broadcast for *Performance on 3* of the last night concert of the Summer Festival, and a whole week of broadcasts for *Morning Performance* in July.

The Festival would like to thank our principal sponsor, Clerical Medical Investment Group Limited. It is vital to have a principal sponsor behind us, and we are most grateful for such generous ongoing sponsorship.

We are of course also very grateful to all the other companies, trusts and arts funding bodies who support the Festival. They are named in Notes 2,3 & 4.

New Music Commission Fund

The New Music Commission Fund, set up by Judith Weir to safeguard the future of newly commissioned music for the Festival, has now reached £77,788. We hope to raise an endowment which will generate enough money each year to commission a composer in every year. Our target is £200,000.

Christopher Vaughan Legacy Fund

The funds are invested through Brown Shipley and are used to support musical education for children in the London Borough of Tower Hamlets and performances by younger musicians.

Fixed Assets and Lottery

We received a final lottery payment of £475 for the lighting feasibility study.

REPORT OF THE DIRECTORS (continued)**Developments**

Since the closure of Christ Church for restoration in November 2002, Festivals have taken place in a variety of venues in and around Spitalfields.

Financial Results

The results for the year ended 31 December 2003 are shown on page 7 of the financial statements.

Fixed Assets

Details of changes in fixed assets are given in Note 12 to the financial statements.

Reserves

At 31 December 2003 reserves (being the balance on unrestricted funds) amounted to £38,928 (2002, £28,699).

Reserves are held to ensure continuity of activities as described above and are low in relation to the scope of those activities. There is an urgent need for long term funding.

Investment Policy

The management of the Festival's investments on a day to day basis is delegated to its investment advisers. The guidelines that have been set down are for both capital growth and income with an overall medium risk. During the year, our investment advisers were Brown Shipley.

Fundraising

Spitalfields Festival is grateful for the support of Clerical Medical Investment Group Ltd and many other sponsors and donors. The Festival's multiple sources of income are essential to managing the various strands of our work. We are continually trying to build up long-term funding agreements to maintain an element of stability. Arts Council London significantly increased our funding to £40,000 in 2003/4. Other long term funders include the Corporation of London who have committed to a three year funding agreement for 2002-2004; Linklaters have agreed to fund the June Festival until 2004; The Bernard Sunley Charitable Foundation renewed a three-year funding agreement until 2004; the Foyle Foundation continues its three-year funding; and the Esmée Fairbairn Foundation are funding over three years a Community Cantata which is based on the history of Spitalfields and is being composed by Jonathan Dove. BP are funding extending access to the Festival 2003/4; Clifford Chance are funding Education Programme 2003/5; HSBC Insurance Holdings Ltd are funding Education Programme for 2003/4; Aldgate & Allhallows are funding Education Programme 2003/4. In comparison to many arts organisations, an unusually large percentage of our raised income is from the private sector. We are most grateful to all our funders, including returning funders Foundation for Sport and the Arts, the Baring Foundation, ING Barings, News International and Garfield Weston Foundation.

Risk Management

The directors have identified the major risks the Festival faces and have reviewed and evaluated these. Systems are in place to manage and mitigate these risks. These include clear lines of delegation of authority from Council to the administrative staff and for reporting results in turn to Council. Annual budgets are approved by Council and results reported during the course of the year. Where possible there is division of responsibility within the administrative team. Financial policies and procedures are in place. Where practicable appropriate insurance cover is taken out.

REPORT OF THE DIRECTORS (continued)**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's financial activities during the period and of its financial position at the end of the period. In preparing those financial statements, the directors are required to

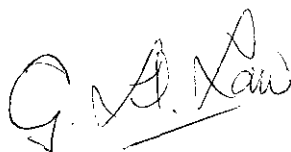
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Auditors

Arthur Goddard & Co. have signified their willingness to continue in office.

Approved by the Council on 12 February 2004
and signed on its behalf by:



George Law
Chair

75 Brushfield Street
LONDON E1 6AA

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SPITALFIELDS FESTIVAL LIMITED**

We have audited the financial statements on pages 7 to 19, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, and the accounting policies set out on page 10.

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

As described in the Statement of Directors' Responsibilities the charity's trustees, who are also directors for the purposes of company law, are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the other information contained in the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company'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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 December 2003 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.

ARTHUR GODDARD & CO.
CHARTERED ACCOUNTANTS
and Registered Auditors



2 St John's Place
St John's Square
LONDON EC1M 4NP

Date : 18th February 2004

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2003

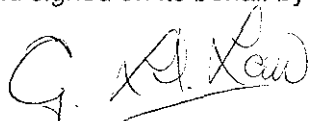
			Restricted			Endowment		
		Unrestricted	Education & Community	Christopher Vaughan Legacy Fund	Fixed Assets and Lottery	New Music Commission Fund	Total Funds 2003	Total Funds 2002
	Note	£	£	£	£	£	£	£
INCOMING RESOURCES:								
Voluntary								
Sponsors	2	116,545	1,500				118,045	144,000
Donors	3	72,347	126,125			6,353	204,825	210,428
Grants	4	95,013	25,000				120,013	91,000
Grants for capital expenditure	4				475		475	2,723
Charitable activities	5	86,506	11,256				97,762	99,835
Activities to generate funds		12,250					12,250	4,303
Investment income				5,562		2,617	8,179	7,275
Other incoming resources		2,189	296			15	2,500	8,587
TOTAL INCOMING RESOURCES		<u>384,850</u>	<u>164,177</u>	<u>5,562</u>	<u>475</u>	<u>8,985</u>	<u>564,049</u>	<u>568,151</u>
RESOURCES EXPENDED:								
Cost of generating funds	6a	106,287	37,333				143,620	170,207
Charitable expenditure								
Cost of operating activities	6b	186,276	85,138	22,475	580		294,469	292,645
Management and administration	6c	82,058	25,474	500	5,510	500	114,042	83,866
TOTAL RESOURCES EXPENDED		<u>374,621</u>	<u>147,945</u>	<u>22,975</u>	<u>6,090</u>	<u>500</u>	<u>552,131</u>	<u>546,718</u>
Net incoming resources/(resources expended)		10,229	16,232	(17,413)	(5,615)	8,485	11,918	21,433
Profit (loss) on revaluation of investments	13			8,498		3,999	12,497	(37,165)
NET MOVEMENT IN FUNDS		<u>10,229</u>	<u>16,232</u>	<u>(8,915)</u>	<u>(5,615)</u>	<u>12,484</u>	<u>24,415</u>	<u>21,433</u>
Balances brought forward at 1 January 2003		28,699	7,672	140,730	78,343	65,304	320,748	336,480
Balances carried forward at 31 December 2003		38,928	23,904	131,815	72,728	77,788	345,163	320,748

There is no material difference between the net movement in resources as disclosed and the result on an unmodified historical cost basis.

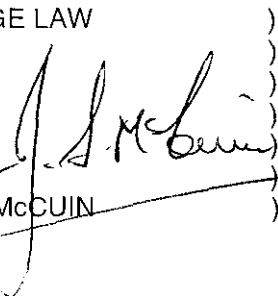
BALANCE SHEET as at 31 December 2003

	Notes	2003 £	£	2002 £	£
FIXED ASSETS					
Tangible assets	12	98,985		103,158	
Investments	13	209,781		190,536	
		<u>308,766</u>		<u>293,694</u>	
CURRENT ASSETS					
Debtors	14	58,001		60,383	
Cash at bank and in hand		125,788		145,234	
		<u>183,789</u>		<u>205,617</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	15	<u>(147,392)</u>		<u>(178,563)</u>	
NET CURRENT ASSETS		<u>36,397</u>		<u>27,054</u>	
NET ASSETS	16	<u>345,163</u>		<u>£320,748</u>	
FUNDS					
Unrestricted funds		38,928		28,699	
Restricted funds					
- Education & Community		23,904		7,672	
- Christopher Vaughan Legacy Fund		131,815		65,304	
- Fixed Assets and Lottery		72,728		140,730	
- New Music Commission Fund		77,788		78,343	
		<u>£345,163</u>		<u>£320,748</u>	

Approved by the Council on 12 February 2004
and signed on its behalf by



GEORGE LAW



JOHN MCCUIN

Directors

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2003

	Notes	2003	2002
		£	£
INCOME			
Sponsors	2	118,045	144,000
Donors	3	204,825	210,428
Grants	4	120,013	91,000
Grants for capital expenditure	4	475	2,723
Ticket sales	5	57,325	62,826
Advertising sales	5	26,166	24,303
Programme sales	5	3,015	3,320
Investment income		8,179	7,275
Other		26,006	17,276
Income in kind		-	5,000
		<u>564,049</u>	<u>568,151</u>
EXPENDITURE			
Direct Festival costs		36,808	39,745
Artists' fees	7	102,892	100,512
Promotion	8	71,243	86,265
Staff costs	9	226,887	226,869
Educational projects	11	67,156	46,061
Overheads & miscellaneous		37,390	36,830
Irrecoverable VAT		643	612
Depreciation	12	9112	9,824
		<u>552,131</u>	<u>546,718</u>
SURPLUS FOR THE YEAR BEFORE REVALUATION OF INVESTMENTS		<u>£11,918</u>	<u>£21,433</u>

All income and expenditure relates to continuing activities.

There is no material difference between the surplus for the year as disclosed and the result on an unmodified historical cost basis.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2003****1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with the following policies: -

- (a) The accounts are prepared under the historical cost convention modified for the revaluation of investments and the piano.
- (b) The accounts are prepared in accordance with applicable accounting standards and in compliance with the Statement of Recommended Practice – “Accounting by Charities 2000” (SORP 2000).
- (c) Incoming resources are accounted for as unrestricted, unless restrictions exist under the terms on which they are received or solicited.
- (d) Legacies are accounted for on an accruals basis where the amount receivable can be estimated with reasonable certainty.
- (e) Sponsorship, donations and grants received, as well as fundraising and publicity costs, in respect of the festivals for a particular year will be recognised in the accounting period relating to that year's festivals. The Festival receives certain help in kind from many organisations and the directors confirm that these amounts are not quantifiable and thus are not reflected in these financial statements.
- (f) Ticket and programme sales are recognised in the year to which they relate.
- (g) Capital grants are recognised when received.
- (h) Depreciation on the piano, office equipment and office premises is calculated to write off the cost less estimated residual value of fixed assets on a straight line basis over their estimated useful lives. Depreciation on Lottery equipment is calculated on a reducing balance basis.
- (i) Cost of generating funds includes costs incurred directly such as advertising and promotion and an appropriate proportion of indirect costs such as staff costs.
- (j) Management and administration includes direct costs incurred in the governance of the Festival (such as audit, legal, constitutional and statutory), together with an appropriate proportion of indirect costs such as staff and office costs.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003 (continued)

2. SPONSORS

UNRESTRICTED	2003	2002
Total	£116,545	£139,000
RESTRICTED – EDUCATION & COMMUNITY		
Total	£1,500	£5,000
Sponsorship was received from the following companies:		
Clerical Medical Investment Group –principal sponsor		
Bishops Square Design Team		
BP		
Hammerson plc		
Linklaters		
The Royal Bank of Scotland		
Singer & Friedlander		
Spitalfields Development Group		
TOTAL INCOME FROM SPONSORS	£118,045	£144,000

3. DONORS

UNRESTRICTED	2003	2002
	£	£
Corporate donations		
ABN AMRO	1,000	-
CB Hillier Parker	-	500
Herbert Smith	-	-
HSBC Insurance	6,500	-
ING Barings	-	-
News International plc	1,000	-
Prudential	1,000	-
Six Continents PLC	-	4,000
The Royal Netherlands Embassy	600	-
	10,100	4,500
Foundations and Trusts		
The Bernard Sunley Charitable Foundation	5,000	5,000
The Foundation for Sport and the Arts	10,000	-
The Foyle Foundation	15,000	25,000
Garfield Weston Foundation	-	2,000
Hinrichsen Foundation	1,500	1,500
The Holst Foundation	1,500	1,500
Inverforth Charitable Trust	-	1,000
John S Cohen Foundation	-	2,000
The John and Susan Bowers Fund	-	300
The Leathersellers' Company	500	-
The Leche Trust	1,400	-
The Mercers' Company	2,000	-
Performing Right Society Foundation	8,000	-
RVW Trust	1,000	2,500
The Worshipful Company of Fishmongers	1,000	1,000
	46,900	41,800

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003 (continued)

3. DONORS (continued)

Patrons

Gold patrons	2,446	2,106
Silver patrons	1,341	1,659
Festival patrons	7,630	5,743
Individual donations	3,433	16,467
Individual commissions	-	-
Other	497	4,480
	<u>15,347</u>	<u>30,455</u>

TOTAL DONORS - UNRESTRICTED	<u>£72,347</u>	<u>£76,755</u>
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RESTRICTED - EDUCATION & COMMUNITY

	2003 £	2002 £
Corporate donations		
ABN AMRO	9,000	10,000
Allen & Overy	1,500	-
Clifford Chance	1,500	1,000
Dresdner Kleinwort Wasserstein	-	9,000
Herbert Smith	2,500	2,500
HSBC Insurance Holdings Ltd	5,000	4,000
ING Barings	7,000	-
The Royal Bank of Scotland	8,500	-
UBS Warburg	8,000	-
	<u>43,000</u>	<u>26,500</u>

Foundations and Trusts

Aldgate & Allhallows Barking Exhibition Foundation	15,000	11,825
Baring Foundation	7,000	-
The John and Susan Bowers Fund	300	-
The Bridge House Estates Trust Fund	-	20,000
Carlton Television Trust	-	2,850
Esmée Fairbairn Foundation	10,000	11,000
The Foyle Foundation	15,000	15,000
Garfield Weston Foundation	10,000	-
Goldsmiths' Company's Charities	2,000	1,000
JP Morgan Fleming Educational Trust	5,000	5,000
Lloyd's TSB Foundation	-	3,000
Morgan Stanley International Foundation	15,000	15,000
National Foundation for Youth Music	-	2,586
Spitalfields Market Community Trust	2,750	2,750
The Worshipful Company of Musicians	1,000	1,000
The Worshipful Company of Weavers	75	-
	<u>83,125</u>	<u>76,011</u>

TOTAL DONORS - RESTRICTED EDUCATION & COMMUNITY	<u>£126,125</u>	<u>£117,511</u>
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003 (continued)

3. DONORS (continued)

ENDOWMENT- NEW MUSIC COMMISSON FUND

	2003	2002
	£	£
Platinum*	2,500	7,500
Gold	991	2,478
Silver	1,440	3,457
Other	1,422	2,727
	<hr/>	<hr/>
TOTAL DONORS		
-ENDOWMENT (NEW MUSIC COMMISSION FUND)	£6,353	£16,162
	<hr/>	<hr/>
*The Batty Charitable Trust		
TOTAL INCOME FROM DONORS	£204,825	£210,428
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The Festival is very grateful to the many organisations who have provided help in kind for which a value has not been attributed to the services provided, as follows: ABN AMRO, AGN Shipley, Bishopsgate Institute, The Brady Arts & Community Centre, Brown Shipley, Centre for Change, Cityside Regeneration, Corporation of London, Direct Image, East London Business Association, Field Fisher Waterhouse, Foster and Partners, Herbert Smith, HSBC Insurance, Julian Harrap Architects, Linklaters, London Borough of Tower Hamlets, Mazars, Morgan Stanley Dean Witter, Richard Lynam Partnership, Shearman & Sterling, Shoreditch Church, Singer & Friedlander, Spitalfields Development Group, Uncorked, Wesley's Chapel.

4. GRANTS

	2003	2002
	£	£
UNRESTRICTED		
Arts Council England	40,000	25,000
Arts Council England – Grants for the Arts	3,737	-
Arts Council England – Regional Arts Lottery Programme	2,254	-
Arts Council England – Regional Arts Lottery Programme	14,022	-
Corporation of London	30,000	28,500
Early Music Network	2,500	2,500
London Borough of Tower Hamlets – Events Fund	2,500	2,500
	<hr/>	<hr/>
	£95,013	£58,500
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003 (continued)

4. GRANTS (continued)

RESTRICTED – EDUCATION & COMMUNITY

	2003	2002
	£	£
Corporation of London	20,000	22,500
Arts Council England	5,000	10,000
	<u>£25,000</u>	<u>£32,500</u>

TOTAL INCOME FROM GRANTS	<u>£120,013</u>	<u>£91,000</u>
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GRANTS FOR CAPITAL EXPENDITURE
RESTRICTED – FIXED ASSET AND LOTTERY

	2003	2002
	£	£
National Lottery through the Arts Council of England	475	2,723
	<u>£475</u>	<u>£6,723</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2003	2002
UNRESTRICTED	£	£
Ticket sales	57,325	63,418
Programme & leaflet advertising	26,166	24,303
Programme sales	3,015	3,320
	<u>£86,506</u>	<u>£91,041</u>

RESTRICTED – EDUCATION & COMMUNITY

ECP participants' fees	<u>£11,256</u>	<u>£8,794</u>
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TOTAL INCOME FROM CHARITABLE ACTIVITIES	<u>£97,762</u>	<u>£99,835</u>
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003 (continued)

6. ANALYSIS OF RESOURCES EXPENDED

(a) Cost of generating Funds: Fundraising and publicity

	Staff costs £	Advertising and promotions £	Total £
Restricted funds:			
Education & Community	22,723	14,610	37,333
Unrestricted funds	49,654	56,633	106,287
	<u>72,377</u>	<u>71,243</u>	<u>143,620</u>

(b) Charitable expenditure: Cost of operating activities

	Staff Costs £	Artists fees £	Other £	Total £
Restricted funds:				
Education & Community	30,482	54,118	538	85,138
Christopher Vaughan Legacy		22,475		22,475
Fixed assets and lottery			580	580
Unrestricted funds	56,552	92,917	36,808	186,276
	<u>87,034</u>	<u>169,510</u>	<u>37,926</u>	<u>294,469</u>

(c) Charitable expenditure: Management and administration

	Staff costs £	Office costs £	Other (depreciation) £	Total £
Restricted funds:				
Education & Community	14,033	11,236	205	25,474
New Music Commission Fund		500		500
Christopher Vaughan Legacy		500		500
Fixed assets and lottery			5,510	5,510
Unrestricted funds	53,443	25,218	3,397	82,058
	<u>67,476</u>	<u>37,454</u>	<u>9,112</u>	<u>114,042</u>

(d) Audit fee

	2003 £	2002 £
Office costs in note 6 (c) include an audit fee of: -	1,000	1,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003 (continued)

7. ARTISTS' FEES

Artists' fees are those paid to the performers in the Festival, including the Artistic Director and commissioning fees for new music.

8. PROMOTION

Advertising was placed in the national press. Mailing lists were used for direct selling and leaflets and posters were widely distributed. Design and printing costs are those associated with production of the Festival's promotional material and programmes. A London Underground advertising campaign in June 2003 was funded by Clerical Medical Investment Group Ltd and Corporation of London.

9. STAFF COSTS

	2003 £	2002 £
Wages and salaries	198,348	199,583
National Insurance contributions	20,191	18,752
Employer's Pension contribution	5,980	6,869
Other	2,368	1,666
	<u>£226,887</u>	<u>£226,870</u>

The average number of staff employed during the year was 9. No employee was paid more than £50,000.

6 employees are accruing benefits under a company money purchase scheme (2002: 7)

No director received any remuneration in the period. One director received reimbursement of travelling expenses amounting to £49.80 (2002: £228.10).

10. RELATED PARTY TRANSACTIONS

The following directors are connected as directors or members of the following organisations who sponsored the Festival: Michael Bear – Spitalfields Development Group £5,000 (2002: £1,000); Francis Carnwath – The Worshipful Company of Musicians £1,000 (2002: £1,000).

11. EDUCATION & COMMUNITY PROGRAMME

The following schools and groups were involved in residencies, workshops and performances:

Primary Schools	Secondary Schools:	Adult/Community/Workshops/Performances:
Arnhem Wharf	George Green's	Allcomers – adult participants
Canon Barnett	Mulberry	Antil Road Centre
Christ Church	Sir John Cass's	Canonbury Chamber Choir
Harbinger	Foundation	Centre for Young Musicians – Hackney
Harry Gosling	St Paul's Way	Contemporary Music Making for Amateurs (COMA)
Kobi Nazrul	Swanlea	Education & Community Programme artists
Lawdale		MIND in Tower Hamlets
Osmani	Special Schools:	Music Animateur Apprentice Scheme artists
Shapla	Phoenix	Senior citizens from 'Friends & Neighbours' scheme
St Anne's	The Cherry Trees	(Toynbee Hall)
St Edmund's		Sing for your lunch - local city workers and residents'
St Paul's CE		vocal workshops
Stewart Headlam		Stitches in Time
Thomas Buxton		Vital Arts (Royal London Hospital) – vocal workshops
Virginia		Wessex Singers
		Women sing East – local women's vocal workshops

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003 (continued)

12. TANGIBLE FIXED ASSETS
(all for charity use)

	Piano	Office equipment	Lottery: equipment	Lottery: office premises	Total
	£	£	£	£	£
COST/VALUATION					
At 1 January 2003	4,095	14,756	84,679	120,000	223,530
Additions	-	4,939	-	-	4,939
	<u>4,095</u>	<u>19,695</u>	<u>84,679</u>	<u>120,000</u>	<u>228,469</u>
At 31 December 2003	4,095	19,695	84,679	120,000	228,469
DEPRECIATION					
At 1 January 2003	1,404	12,181	82,787	24,000	120,372
Charge for the year	205	3,397	710	4,800	9,112
	<u>1,609</u>	<u>15,578</u>	<u>83,497</u>	<u>28,800</u>	<u>129,484</u>
At 31 December 2003	1,609	15,578	83,497	28,800	129,484
NET BOOK VALUE					
At 31 December 2003	<u>£2,486</u>	<u>£4,117</u>	<u>£1,182</u>	<u>£91,200</u>	<u>£98,985</u>
At 31 December 2002	<u>£2,691</u>	<u>£2,575</u>	<u>£1,892</u>	<u>£96,000</u>	<u>£103,158</u>
Depreciation rate	5%	37.5%	37.5%	4%	

The piano was valued by the directors on 31 December 2000, having been donated to the Festival in 1995.

In the opinion of the directors, the office premises are worth considerably in excess of the carrying value above. However, the terms of the purchase provide that in the event of sale of the property before autumn 2003, no benefit would accrue to the charity. After that time a proportion of any gain would accrue to the charity.

13. FIXED ASSET INVESTMENTS

	2003 £	2002 £
Investments - market value		
At 1 January 2003	127,173	117,479
Additions (purchases)	70,985	59,494
Disposals (sales)	(11,233)	(12,635)
Net investment gain	12,497	(37,165)
Investments at 31 December 2003	<u>£199,422</u>	<u>£127,173</u>
Cash at 31 December 2003	<u>£10,359</u>	<u>£63,363</u>
TOTAL INVESTMENTS AT 31 DECEMBER 2003	<u>£209,781</u>	<u>£190,536</u>
Historical cost	<u>£230,473</u>	<u>£246,048</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003 (continued)

13. FIXED ASSET INVESTMENTS (continued)

The following investments comprise more than 5% of the total fund by value: -

General Accident	5.29%
BAT International Finance	5.12%
Unilever	5.17%
Solus Funds	10.77%

The investments are listed on a recognised stock exchange.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Other debtors	46,932	48,833
Prepayments	11,069	11,550
	<u>£58,001</u>	<u>£60,383</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Donations in advance for 2004 concerts	96,028	122,008
Other creditors	51,364	56,555
	<u>£147,392</u>	<u>£178,563</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Investments £	Net current assets, creditors due after year and provisions £	Total £
Restricted funds				
Education & Community			23,904	23,904
Christopher Vaughan Legacy Fund		142,651	(10,836)	131,815
Fixed Assets and Lottery	72,728			72,728
New Music Commission Fund		67,130	10,658	77,788
Unrestricted funds	26,257		12,671	38,928
	<u>98,985</u>	<u>209,781</u>	<u>36,397</u>	<u>345,163</u>

The Education & Community Fund is restricted to activities under the Education and Community Programme and includes the Community Cantata.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003 (continued)

The Christopher Vaughan Legacy Fund is restricted to the support of musical education for children in the London Borough of Tower Hamlets and performances by younger musicians.

The Fixed Assets and Lottery Fund represents certain fixed assets acquired under Lottery grants.

The New Music Commission Fund is an endowment fund for the commissioning of new music.

