

Registered Company Number: SC305241 (Scotland)

Registered Charity Number: SC037392

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016
FOR
MUSIC AT PAXTON**

MUSIC AT PAXTON

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FOR THE YEAR ENDED 30 SEPTEMBER 2016

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**MUSIC AT PAXTON
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 September 2016. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC305241 (Scotland)

Registered Charity number

SC037392

Registered office

Paxton House
Berwick upon Tweed
Northumberland
TD15 1SZ

Trustees

| | |
|----------------------|-------------------|
| M M Hall | Resigned 1/11/15 |
| A W Henfrey | |
| J E McGregor MBE | Resigned 1/11/15 |
| S A Platt | |
| M A Woodward | Resigned 1/11/15 |
| M Butler | |
| J Harrison | |
| J A Shepherd | |
| HAE Simpson | |
| W Hositykns-Abrahall | |
| A Thunder | Appointed 1/11/15 |
| A Walker | Appointed 1/11/15 |

Independent Examiner

Ian F Y Marrian CA
Walled Garden
Bowerhouse
Dunbar
EH42 1RE

Bankers

Barclays Bank plc
22-24 Hide Hill
Berwick
Northumberland
TD15 1AF

STRUCTURE, GOVERNANCE AND MANAGEMENT

Music at Paxton is a company limited by guarantee and was incorporated on July 11th 2006. It has a Board of Directors who meet a minimum of three times a year for board meetings and throughout the year in sub committees to steer the management of specific issues. They supervise the organisation of an annual classical music festival held at Paxton House, Berwickshire.

The festival continues its policy of exciting and innovative programming, as well as providing unique opportunities for local people to participate in musical activity.

MUSIC AT PAXTON

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2016

FINANCIAL REVIEW

Reserves policy

The trustees aim to hold a reserve of an amount sufficient to enable the forward planning on the next festival. The amount necessary will be reviewed on an annual basis alongside the budget requirements of the Charity.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Music at Paxton for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

A W Henfrey - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
MUSIC AT PAXTON**

I report on the accounts for the year ended 30 September 2016 set out on pages four to eight.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. 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 accounts.

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

- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
- to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

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.

Ian F Y Marrian CA
Walled Garden
Bowerhouse
Dunbar
EH42 1RE

The notes form part of these financial statements

MUSIC AT PAXTON

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 SEPTEMBER 2016

| | | 2016 Unrestricted Funds £ | 2015 Unrestricted Funds £ |
|--|--------------|---------------------------------|---------------------------------|
| | Notes | | |
| INCOMING RESOURCES | | | |
| Incoming resources from generated funds | | | |
| Voluntary income | | 63,121 | 46,893 |
| Activates for generating funds | 2 | 668 | 610 |
| Incoming resources from charitable activities | | | |
| Music festival | | <u>32,939</u> | <u>26,623</u> |
| Total incoming resources | | 96,728 | 74,126 |
| RESOURCES EXPENDED | | | |
| Charitable activities | | | |
| Music festival | | 57,750 | 53,963 |
| Governance costs | | <u>24,142</u> | <u>19,897</u> |
| Total resources expended | | <u>81,892</u> | <u>73,860</u> |
| NET SURPLUS FOR THE YEAR | | 14,836 | 266 |
| TRANSFER TO DESIGNATED FUNDS | 8 | <u>17,254</u> | - |
| NET DEFICIT TO GENERAL FUNDS FOR THE YEAR | | <u>(2,418)</u> | <u>266</u> |

The notes form part of these financial statements

MUSIC AT PAXTON

BALANCE SHEET
AT 30 SEPTEMBER 2016

| | Notes | 2016 Unrestricted Funds | 2015 Unrestricted Funds |
|--|-------|----------------------------|----------------------------|
| CURRENT ASSETS | | | |
| Debtors | 5 | 11,440 | 6,614 |
| Cash at Bank | | <u>13,709</u> | <u>1,304</u> |
| | | 25,149 | 7,918 |
| CREDITORS | | | |
| Amounts falling due within one year | 6 | <u>(3,386)</u> | <u>(991)</u> |
| NET CURRENT ASSETS | | 21,763 | 6,927 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 21,763 | 6,927 |
| NET ASSETS | | 21,763 | 6,927 |
| FUNDS | | | |
| Unrestricted funds | 7 | 4,509 | 6,927 |
| Designated funds | 8 | <u>17,254</u> | - |
| TOTAL FUNDS | | <u>21,763</u> | <u>6,927</u> |

MUSIC AT PAXTON

**BALANCE SHEET – CONTINUED
AT 30 SEPTEMBER 2016**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2016.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 30 September 2016 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

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

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

A W Henfrey –Trustee

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

1. ACCOUNTING POLICIES**Accounting convention**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

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

Restricted funds can only be used for 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 explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. ACTIVITIES FOR GENERATING FUNDS

| | 2016 | 2015 |
|-------------|-------------|------------|
| | £ | £ |
| Advertising | <u>668</u> | <u>610</u> |
| | <u>668</u> | <u>610</u> |

3. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration, other benefits or mileage payments for the year ended 30 September 2016 nor for the year ended 30 September 2015.

4. FESTIVAL ADMINISTRATOR

The charity contracted two part-time festival administrator at a cost of £19,700 (2015 : £15,750).

MUSIC AT PAXTON

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2016

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2016 | 2015 |
|---------------|---------------|--------------|
| | £ | £ |
| Trade debtors | 1,796 | 425 |
| Other debtors | <u>9,644</u> | <u>6,189</u> |
| | <u>11,440</u> | <u>6,614</u> |

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2016 | 2015 |
|-----------------|--------------|------------|
| | £ | £ |
| Other creditors | <u>3,386</u> | <u>991</u> |
| | <u>3,386</u> | <u>991</u> |

7. MOVEMENT IN FUNDS

| | At 1.10.15 | Net movement in funds | At 30.9.16 |
|---------------------------|--------------|-----------------------------|--------------|
| | £ | £ | £ |
| Unrestricted funds | | | |
| General fund | 6,927 | (2,418) | 4,509 |
| | ———— | ———— | ———— |
| TOTAL FUNDS | <u>6,927</u> | <u>(2,413)</u> | <u>4,509</u> |

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

| | Incoming resources | Resources expended | Movement in funds |
|---------------------------|-----------------------|-----------------------|----------------------|
| | £ | £ | £ |
| Unrestricted funds | | | |
| General fund | 96,728 | (81,892) | 14,836 |
| | ———— | ———— | ———— |
| TOTAL FUNDS | <u>96,728</u> | <u>(81,892)</u> | <u>(14,836)</u> |

There was no restricted income in the year to 30.9.16 (2015 Nil)

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2016

8. DESIGNATED FUNDS

In line with Charities Commission guidance and to secure the future of the Charity, the trustees have discussed creating a Designated Fund equal to at least 6 months operating costs.

The Designated Fund would provide an internal source of funding to address extraordinary events such as loss of predicted income or the addition of unexpected expenses that would otherwise cause fluctuations in the operating budget.

The Designated Fund could also be used for one-off expenses such as, certain audience development initiatives, that would normally be budgeted for in the operational budget and that would build long-term capacity.

It is the intention of the Trustees that whenever possible funds are to be used and replenished within as short a period of time as possible. The Trustees therefore may, from time to time, direct that a specific source of income be set aside for the Designated Fund, for instance, one-off bequests.

During the current year Music at Paxton received a donation of £17,254 from Northern rock Foundation, which the Trustees have allocated to the Designated Fund. This is detailed throughout the accounts.

MUSIC AT PAXTON

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2016

| | 2016 | 2015 |
|---|-----------------------|-------------------|
| INCOMING RESOURCES | | |
| Voluntary income | | |
| Donations | 42,466 | 26,759 |
| Gift Aid | 2,155 | 1,634 |
| Grants | <u>18,500</u> | <u>18,500</u> |
| | 63,121 | 46,893 |
| Activities for generating funds | | |
| Sponsorship | - | - |
| Advertising | <u>668</u> | <u>610</u> |
| | 668 | 610 |
| Incoming resources from charitable activities | | |
| Tickets and Programmes | <u>32,939</u> | <u>26,623</u> |
| Total incoming resources | 96,728 | 74,126 |
| RESOURCES EXPANDED | | |
| Charitable activities | | |
| Artists Fees and expenses | 27,585 | 26,761 |
| Venue Costs | 10,487 | 10,575 |
| Tickets and Marketing | 12,602 | 11,928 |
| Promotional Events | <u>7,076</u> | <u>4,699</u> |
| | 57,750 | 53,963 |
| Governance costs | | |
| Administration costs | 23,410 | 19,507 |
| Subscriptions/ Sundries | <u>732</u> | <u>390</u> |
| | <u>24,142</u> | <u>19,897</u> |
| Total resources expended | <u>81,892</u> | <u>73,860</u> |
| Net income for the year | 14,836 | 266 |
| Specific donation transferred to Designated Fund | <u>17,254</u> | - |
| Deficit for the year to General Fund | <u>(2,418)</u> | <u>266</u> |