



NATIONAL FEDERATION OF MUSIC SOCIETIES

Trading as Making Music

Annual Report and Financial Statements

For the year ended 31 December 2023

Company Number 308632

Registered Charity in England and Wales Number 249219

Registered Charity in Scotland Number SC038849

Contents

Directors’ and trustees’ report	1
Independent auditor’s report	26
Consolidated statement of financial activities	31
Consolidated balance sheet	32
Charity balance sheet	33
Consolidated statement of cashflows	34
Notes to the financial statements	35



Bristol Reggae Orchestra



Kings Langley Community Choir performing at a library

Reference and administrative details

Name of Charity	National Federation of Music Societies trading as Making Music	
Company Number	308632	
Charity Number	249219 (England) SC038849 (Scotland)	
Principal Office & Registered Office	8 Holyrood Street London SE1 2EL	
Directors and Trustees	Rhiannon Harrison Dorothy Wilson MBE FRSA Clare Birks Peter Burchill Andrew Devine Robert Guest Paul Graham Edward-Rhys Harry Nick James Paul McKinley Kathy McLeish Carol Pemberton MBE Andrew Rixon Valerie Taylor Catherine Travers Neil Weir	<i>Chair (from 7 August 2023)</i> <i>Vice Chair (from 7 August 2023)</i> <i>Chair(to 7 August 2023)</i> <i>retired 12 July 2023</i> <i>Vice Chair & Treasurer (to 12 July 2023)</i> <i>Treasurer (from 7 August 2023)</i> <i>appointed 12 July 2023</i> <i>retired 12 July 2023</i> <i>appointed 7 August 2023</i> <i>retired 4 December 2023</i> <i>appointed 12 July 2023</i>
Key Management	Barbara Eifler Alison Reeves Ben Saffell Helen Evans Natalie Joanes	<i>Chief Executive</i> <i>Deputy Chief Executive</i> <i>Membership & Operations Director</i> <i>Finance Director</i> <i>Communications Director</i>
Bankers	CAF Bank Ltd 25 Kings Hill Avenue West Malling Kent ME19 4JQ	Flagstone Investment Management Clareville House 26-27 Oxendon Street London SW1Y 4EL
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE	
Independent Auditor	Amy S Healey FCA CTA DChA Lindeyer Francis Ferguson Limited Chartered Accountants North House, 198 High Street Tonbridge Kent TN9 1BE	

The trustees (who are also the directors of the company for the purposes of company law) present their report together with the audited group and parent charity financial statements for the year ended 31 December 2023. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and in accordance with the governing document, current statutory requirements and the provisions of "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019) - (Charities SORP).



Music For Everyone perform for 40th anniversary



Dunbartonshire Concert Band's summer concert

Making Music - who we are

Making Music is a charity and the UK association for leisure-time music, with 4,000+ music groups in membership, comprising around 220,000 hobby musicians.

We support members with practical services and artistic development opportunities, connect them with each other, the wider sector and relevant other organisations, and celebrate and advocate for the leisure-time music sector and its benefits - physical, social, psychological, educational, economic - to individuals, communities and policy makers. We seek to ensure that conditions are right for leisure-time music groups to flourish.

Summary of the year

2023 was still not a normal year in terms of groups' finances (reflected in membership subscription levels); there also remained a stronger than usual anxiety around retaining and recruiting participants and the return of audiences, particularly those aged 65+.

In 2023 Making Music launched its new 5 year plan (see next page). It was published as a 'strategy tree', easy to read and digest for members, staff and Board. It brings with it a renewed focus on measuring and documenting the impact and value of Making Music's work.

Making Music developed and launched its #MakeSpaceForMusic campaign, to highlight the threats to the crucial infrastructure of hyperlocal, accessible and affordable spaces essential for self-organised community groups making and presenting music. Making Music and members therefore also responded to the Home Affairs Select Committee pre-legislative consultation on the Terrorism (Protection of Premises) draft bill which in its 2023 format was predicted to have unintended negative impact on this kind of infrastructure.

2023 also saw the start of the Arts Council England funding, partly for the INCLUDE project, working in detail with four member groups to understand their challenges around inclusion and access and the support they need to help them open up their activities to a wider range of participants and audiences. Further work on inclusion and access encompassed online sessions, resources and 'Conversation' events with people of lived experience of exclusion.

Internally, our focus on equity, diversity and inclusion (EDI) saw Making Music further develop new staff recruitment methods; review its EDI policy and plan; and start writing an Inclusive Work Culture plan to implement the policy of the same name.

Due to circumstances beyond our control, Making Music had to change the insurance provider underwriting and administering our tailor-made insurance product for music groups. A successful new partnership was developed in a short period of time.

2023 was the first full year of funding from the Esmée Fairbairn Foundation. Due to the demand stimulated by the funded post for the Making Music Platform, this role became full-time. Demand for Orchestra Tax Relief also grew with increased funded support and we also introduced a Theatre Tax Relief service. This funding also supported our work empowering members to advocate themselves for their activity to policymakers and stakeholders. For more detail, see the report below.

The whole year had a strong focus on the new website and digital delivery portal project, requiring constant input from many staff members, led by our Membership & Operations Director. This is an important project, both to improve access for members to the services and advocacy we provide and to facilitate Making Music's own sustainability, by streamlining how we disseminate information and support members and the sector.

Objectives and activities

What does Making Music do?

- **Support members:** practical services, tools and guidance, and artistic development opportunities; facilitating and building connections between members and between members and relevant experts and stakeholders; empowering everyone and anyone to set up and run a resilient and sustainable leisure-time music group, and supporting groups to keep growing, find inspiration and aspire to excellence; celebrating and highlighting our members' achievements; and standing up for their needs with policy makers and other stakeholders.
- **Support leisure-time music:** standing up for and celebrating the leisure-time music sector (of which our members are part) to policy makers so that policy can take into account the individual and community benefits of participating in music as a hobby; and to the general public so that more new people are able to draw down such benefits and may be encouraged to join one of our member groups.

Our new 5 year plan was published in January 2023 and runs until December 2027.

Our belief

We believe in the value of leisure-time music groups (to individuals, communities and society).

Our vision

Everyone has the opportunity to be part of a music group.

Our mission

To support, connect, champion and celebrate groups of people making and presenting music in their communities.

Our values

We are respectful of everyone we connect with
We listen, we care, we are always learning
We are transparent and value the trust we earn
We share and collaborate generously
We do what we say we're going to do
We are facilitators, we empower

Our four aims

- A. Music groups make the most of Making Music as their home and ally
- B. Music groups are more sustainable
- C. Music groups are connected
- D. Leisure-time music is recognised and valued

How do our activities benefit the public?

Our main activities and who we support are described below. All our charitable activities focus on our charitable objective to ‘maintain, improve and advance education by promoting the art and practice and public performance of music throughout the United Kingdom and in other countries’ and are delivered to further that charitable purpose for the public benefit. The trustees have complied with their duty to have regard to the Charity Commission’s guidance on public benefit when exercising any powers or duties to which the guidance is relevant.

The trustees are confident that Making Music’s activities offer public benefit:

- All individuals in society have the potential to benefit from the activities of Making Music, for example its publicly available search facility on the website (‘Find a Group’), and from the activities of its members, either by joining a leisure-time music group or experiencing their performances, workshops and other events.
- Making Music’s advocacy work is of benefit to all, whether or not they are involved in music already, by seeking to maintain or establish an environment in which live music-making by and for everyone can flourish and be available to participants and audiences in communities across the UK.
- There are no restrictions on membership of Making Music, any leisure-time music group can become an Associate Member, although Full Membership is restricted to not-for-profit constituted groups.
- Financial assistance with joining Making Music is considered in cases of individual hardship. Since 2015 Making Music has had a specially reduced rate (50% discount) for new groups just setting up and for youth groups (25%) where participants are 21 or under.

How does society benefit?

Leisure-time music groups made up of hobby musicians create many benefits for the individuals taking part in their musical activity; for the individuals experiencing the resulting performances; and for the communities in which they are active.

- **For individuals**, there is now a large and growing body of research which provides clear evidence of the social, educational, psychological, and biological (physical health and well-being) benefits of group music activity.
- **For society**, there is a developing evidence base to show that connectedness across socio-economic and cultural divides within communities through group activity brings many benefits to a local area, including making it a more desirable place to live and work, contributing to place-making and regeneration.
 - Leisure-time music groups also raise millions of pounds annually for local charities and community resources
 - For their audiences, the events our members present may be the only locally available and accessible live music, so for them, too, there are social, educational and well-being benefits
 - These locally created and promoted events also play a significant part in generating pride of place and raising the ambitions of a community
- **For the economy**, these groups collectively have a significant financial impact. Whilst small individually (63% have a turnover of below £14.5k a year), they are estimated to be around 13,500 in number across the UK, comprising around 800,000 participants. 98% of them engage professional musicians in some capacity (conductors, soloists, accompanists, etc.), with fees an estimated £116m a year; commissioning 1200 new pieces of music and

600 arrangements annually; spending significantly with suppliers such as music publishers (£5.7m a year), retailers (instruments, accessories), on promotion, etc.

All these benefits are created by very small groups led and run by volunteers. Making Music’s support enables them to continue providing these benefits to individuals and society and facilitates more and different people benefitting by joining or setting up such music groups.

“ We have found being a member of Making Music to be invaluable; we have made good use of your resources provision and also PDGYA young musicians, who have been excellent. We will be using Making Music Platform in 2023 which will greatly help us with administrative issues as well as advertising us to the wider community. ”
Making Music is excellent value for money.

- Making Music member

Thanks

The Board would like to thank the staff throughout the UK who continue to put in huge efforts on behalf of members. We are fortunate that every member of staff is deeply committed to the cause of live music-making in communities. In 2023, they continued tirelessly to support members and respond to their needs.

Our thanks also go to the funders who supported activity during 2023. These are: Esmée Fairbairn Foundation, Arts Council England (ACE); Creative Scotland; PRS Foundation; Philip & Dorothy Green Music Trust.

Making Music also owes its volunteers a large debt of thanks and would like to take this opportunity to thank them and pay tribute to their dedication and enthusiasm:

1 President, 13 Board members, 2 Music Bank volunteers.

We also have a ‘bank’ of 72 Listeners standing by to help benchmark professional performers and small ensembles when our Recommended Artists Guide goes online with the new website in 2024 - thank you to them for their patience during this temporary suspension due to website development.

Thank you also to the members who generously volunteer their expertise or practical help on various occasions when we put a call out.



Exeter Festival Chorus in rehearsal



Regent Brass Band, Camden Brass Band and Robin Fiedler at a Adopt a Music Creator workshop

Achievements and performance

Our new 5 year plan can be found here: <https://www.makingmusic.org.uk/about-us/annual-report-and-accounts>

1. Supporting members

A. Music groups make the most of Making Music as their home and ally

This aim is about ensuring that music groups are aware of the full range of support available to them through their membership of Making Music and that they know how to access that offer. In 2023, Making Music was focussing on the first part of that aim; the foundations for the second part were being laid by the work on the new website and digital delivery portal which will make it easier for members to find and access the support relevant to them and which will launch in 2024.

- **WHAT WE DID:**
 - **Event:** Making the most of your membership, 82 attendees
 - **Four information emails** on resources, 25,342 open rates/2,206 click throughs
 - One information email **specifically to promoter** members, 930 open rates/101 click throughs
 - Articles/listings for membership services and resources in print magazine *Highnotes*, published three times a year and sent to members
 - Monthly email newsletter *iNotes* and separate Wales, Scotland, Northern Ireland updates highlighted resources and events
 - Fortnightly broadcast emails about Making Music's events for members
 - Sharing of relevant resources and other support available during each of Making Music's online events in the year
- **RESULTS IN NUMBERS:**
 - **Total views of resources** in 2023: 189,932 (2022: 182,230)
 - Number of **registered users on website per group:** 4 (average) (2022: 4)
 - **Over 2,262 phone calls with 1,111 groups** (2022: over 1,764 calls with 1,054 groups)
 - **Member interactions registered** on Customer Relations Management system: 7,986 with 1,968 groups (2022: 7,486, with 2,029 groups)
 - **We buddied up member groups to share their learning** on specific services: in 2023, we made 67 (2022: 50) connections between 134 (2022: 100) groups - 58 (45) regarding of Making Music Platform, 9 (5) regarding Orchestra Tax Relief

B. Music groups are more sustainable

This aim has four objectives sitting underneath it.

- 1) **Financially resilient**
- 2) **With robust governance**
- 3) **Open to change; embracing new opportunities**
- 4) **Skilled: prepared for a digital future**

1) Financially resilient

This objective is about helping music groups maximise their income, minimise their costs and have the right tools and support at their disposal to manage their finances.

- **WHAT WE DID:**
 - Added **Theatre Tax Relief (TTR) service**
 - **Event on Gift Aid**, 44 attendees
 - **2 Treasurers' Networks** held, 74 attendees
 - **1 new resource (Financial Policy template)**, 388 views from 228 users
 - **Orchestra Tax Relief case study**, 111 views
 - Changed insurance brokers and underwriters for **members' insurance scheme** in order to maintain excellent service and product for members
 - Spent down the remaining monies in a designated fund to **subsidise volunteer promoters** presenting professional artists
 - First year of **revised Philip & Dorothy Green Young Artists scheme** - simplified to reduce administration costs, widened to include more young artists, increased accompanying subsidies to support groups better
 - Renegotiated **Recommended rates for engaging professional musicians** with Musicians Union, 1,861 views
 - Promoted our **corporate members' discounts**, to help groups manage their costs, with 6 resources, via monthly iNotes and blogs
 - **2 events on income generation (Applying for funding)**, 115 attendees
 - **Informed members of specifically relevant funding**, via our **Funding Finder tool** (43 new entries, 2022: 191), via **email/meetings** (Know your Neighbourhood fund; Power of Music funding). **Funding Finder tool**, 4,461 views (2022: 4,544)
- **RESULTS IN NUMBERS:**
 - 66 (2022: 55) members used **OTR**
 - £413,000 was paid out to members under this tax relief (2022: £174,000)
 - 12 (15) members newly registered to use the service during 2023
 - 2 members used **TTR (new)**
 - 5 members registered to use the service during 2023
 - 93% of members took **insurance** in 2023 (2022: 93%)
 - **Funding Finder tool**, 4,461 views (2022: 4,544)
 - **47 promoters** supported with subsidy between 2021 and 2023
 - 18 had never previously claimed a subsidy
 - £4,711 paid out in total over 3 years
 - **Philip & Dorothy Green Young Artists** subsidies - 2023 available funds spent.
 - 40 groups used (2022: 32)
 - 11 had never previously claimed this subsidy (2022: 9)
 - £4,850 paid out (2022: £6,050)

Relevant resources and events were regularly highlighted in broadcast emails, in monthly email newsletter *iNotes* and in the print magazine *Highnotes*.

2) With robust governance

This objective is about supporting music groups to choose and put in place the most appropriate legal structure, to be compliant with any relevant legislation and regulations; and to have the right (and right number) of volunteers to run and govern their group.

- **WHAT WE DID:**
 - 2 events on **Performing Rights Society (PRS)** rules and royalties, 141 attendees
 - Launched **MM Safe service**, in partnership with Brass Bands England, which makes administration and management of child licensing requirements easier for groups wishing to include young people regularly in their activity or perform with them for their events. Includes safeguarding training.
 - **1 event**, 35 attendees; recording, 97 views
 - **New resource on MM Safe**, 447 views
- **RESULTS IN NUMBERS:**
 - **Charity/CIO registration**, used by 17 groups (2022: 27)
 - **PRS resources and declarations/royalties collection service**
 - Resources viewed 9,382 times (2022: 6,682)
 - £96,318 royalties collected from members (2022: £78,271)
 - **Safeguarding**
 - MM Safe used by 8 members
 - MM Safe and other safeguarding resources, 3,991 views (2022: 2,328)
 - 304 DBS checks carried out (2022: 290)
 - 20 groups undertook specially developed online safeguarding training

Relevant resources and events were regularly highlighted in broadcast emails, in monthly email newsletter iNotes and in the print magazine Highnotes.

3) Open to change; embracing new opportunities

This objective is about supporting music groups to adapt to changing circumstances and manage change within their groups to keep flourishing.

- **WHAT WE DID (supporting groups to be more inclusive)**
 - **3 general Access & Inclusion events**, 107 attendees
 - **2 Conversation about Inclusion events**, 86 attendees; these conversations are online events held with people with lived experience, allowing members to ask questions and hear from someone affected by exclusion. The 2023 events were about including LGBTQ+ people, and blind/partially sighted people
 - **1 guest speaker event**, Preventing and managing hearing loss, 207 attendees
 - **Access & Inclusion working group**, 2 meetings, 10 attendees
 - Launched the **INCLUDE** programme, an Arts Council England funded project which supports 4 member groups over 2 years to create policies, set themselves goals and attract a wider range of people to their group. This deep dive learning is then collected and reported on by Making Music to be disseminated to all members; the project started with a **launch event**, 67 attendees, **recording**, 44 views
 - **Census Comparison Survey** launched, facilitating groups to collect, analyse, benchmark participants' and audiences demographic data, used by 6 groups, **resource** 86 views
 - **7 new resources**, 2,123 views by 619 users
 - **Equality, Diversity and Inclusion policy and plan templates**, 673 views
- **WHAT WE DID (supporting & encouraging musical development & trying new activity):**
 - Delivered **Adopt a Music Creator** project, matching 7 groups with a music creator each for a year; reimagined to ensure wider impact and legacy, from 2024; 17 applications from members (2022: 18)
 - **1 double page feature in Highnotes magazine on Commissioning new music**
 - **Resource** on working with professional musicians, 86 views
 - **1 event** on touring with your music group, 38 attendees

- **1 case study** on touring, 162 views
- **9 news items or blogs** on various opportunities for music groups
- **Music bank** is a tool to research repertoire, access free programme notes and exchange sheet music with other Making Music members
 - 18,935 artistic works listed (2022: 18,777)
 - 12,364 items of sheet music available through member-to-member exchange (2022: 13,243)
 - 5,707 programme notes available free (2022: 5,693)
 - 40,647 Music Bank webpages viewed (2022: 23,069)
- 64,726 views for the **Musical Vacancies** pages (2022: 54,074)
- **WHAT WE DID (helping volunteer promoters adapt, incl. their subscription models):**
 - **1 event on subscription & ticket selling**, 47 attendees
 - **2 promoter network meetings**, 29 attendees
- **WHAT WE DID (helping groups engage with Social Prescribing):**
 - **1 event on social prescribing**, with Singing for Health Network, 166 attendees, **recording**, 130 views
 - Reviewed **2 Social Prescribing resources**, 603 views
- **WHAT WE DID (helping members adapt to and influence on climate change)**
 - **2 Climate Change network meetings**, 28 attendees, **recording**, 52 views
 - Continued to add **resources and signposting** to webpage, 139 views
 - **1 blog about Climate Change resources**, 201 views
 - Introduced new **Green Award**, which received four nominations, the winner chosen by a panel, was Derwent Brass

Relevant resources and events were regularly highlighted in the monthly email newsletter iNotes and the print magazine Highnotes.

4) Skilled: prepared for a digital future

This objective is about supporting members to be able to take advantage of the new digital world and all its tools in order to help their group to flourish

- **WHAT WE DID**
 - **Making Music Platform;** this online admin tool and public-facing website template is available to members at an affordable price and supported by a full-time team member. It helps members manage their administration more efficiently and communicate better externally and internally.
 - 340 users (2022: 250)
 - 93 new ones set up (2022: 72)
 - **2 events**, 184 attendees, **recordings**, 296 views
 - **2 resources**, 4,151 views
 - **Case study**, 141 views
 - **Digital marketing skills:**
 - **5 events**, 256 attendees
 - **Other digital skills:**
 - **1 event (Dorico software)**, 14 attendees
 - **Online banking;** it would support groups' efficiency to use online banking, but during 2023 it became clear that there are obstacles to this due to way that most banks treat charities and unincorporated associations. Making Music supported a national survey on this topic in early 2024.

C. Music groups are connected

This aim is about connecting groups to new and more participants and audiences, connecting them within their communities, and connecting them to each other for peer-to-peer support.

There are four objectives sitting underneath this aim:

- 1) Music groups are visible to potential participants
- 2) Music groups are visible to potential audiences
- 3) Music groups are networked in their communities
- 4) Music groups are sharing with and learning from fellow members

1) Music groups are visible to potential participants

This objective is about helping members recruit, welcome and retain new participants.

- **WHAT WE DID**
 - 1 event, 51 attendees
 - 4 new/reviewed resources (one a 5 part toolkit), combined 3,513 views
 - 1 case study, Llysfyaen Singers, 339 views
 - 48,002 Find a Group pages viewed (2022: 48,870)
- **BENCHMARK NUMBERS (to follow up over period of 5 year plan)**
 - Average number of participants per performing group: 2022 - 61 (2016 - 57)
 - Average number of subscribers per promoter group: 2022 - 92 (2016 - 86)

2) Music groups are visible to potential audiences

This objective is about helping members understand and grow their audiences; 2023 saw the start of this work, but we expect to focus on it more strongly from 2025

- **WHAT WE DID**
 - 1 event *How to attract new audience members*, 56 attendees
 - 1 event *Access and inclusion solutions for event organisers*, 14 attendees
 - 5 events on digital marketing, 256 attendees
 - 2 resources, 276 views
 - 60,263 Events pages viewed total, including MM events (2022: 66,733)

3) Music groups are networked in their communities

This objective is about helping members build connections in their communities, for a variety of reasons: to raise awareness of their activity with potential participants and audiences, to enhance their standing and value to their communities, to ensure local stakeholders and policymakers know of groups' activities and value to the area.

- **WHAT WE DID**
 - 1 event, 60 attendees, recording, 150 views
 - 1 case study, 287 views
 - Promoted opportunities - Make Music Day (1,054 views, 2022: 1,024), Learn to Play, Fun Palaces, 'get involved' webpages 1,220 views (2022: 1,088)
 - Opportunities and tips for connections were regularly highlighted in the monthly email newsletter *iNotes* and print magazine *Highnotes*.

4) Music groups are sharing with and learning from fellow members

This objective is about encouraging peer learning through online member meet-ups, specific networks, buddying up, sharing survey results about the membership with the membership.

- **WHAT WE DID**
 - Encouraged members to stand as trustees for the Making Music Board; **1 event**, 16 attendees
 - **Online member networks**, 3 each for Wales, Northern Ireland, Scotland, 44 attendees, 2 general ones for everyone, 51 attendees, Annual General Meeting, 28 attendees
 - **Facebook group for MM Platform users**, 162 users, 116 posts
 - **Buddied up members on specific issues**, in 2023, we made 67 (2022: 50) connections between 134 (2022: 100) groups - 58 (45) regarding Making Music Platform, 9 (5) regarding Orchestra Tax Relief

Summary support work - data overview

- 127 new or updated online resources (2022: 96)
- 139,861 total page views of resources pages (2022: 155,030)
- 1.09m total website page views (2022: 1.06m)
- 3,745 received Highnotes (print magazine; distribution changed to one hard copy only per group, instead increased digital dissemination and promotion) (2022: 6,890), 614 digital views of Highnotes
- 13,887 on iNotes (monthly email newsletter) mailing list (2022: 12,805)
- 10 updates to members in Scotland, 6 to members in Wales, 4 to members in Northern Ireland
- 207 broadcast emails to 834,085 recipients (2022: 194 to 816,251)
- 53 online events for 2,303 attendees (2022: 63 events for 2,359 attendees)
- We also communicated with our members and the wider leisure-time music, music and charities sector via **extensive use of social media**, to ensure our activities are available to the widest possible number of potential beneficiaries. Some statistics:
 - Facebook, posts 91, engagements 5185
 - Twitter/X, posts 368, engagements 5165
 - Instagram, posts 68, engagements 668
 - LinkedIn, posts 37, engagements 372
 - We also have a presence on Threads, YouTube and SoundCloud

“

Making Music were invaluable [for claiming Orchestra Tax Relief] in having template documents and associated guidance notes to enable the corporate entity to be set up with appropriate contractual arrangements with the charity. They then helped with the production of the draft accounts and supported us through the claim to HMRC at every stage. We would not have got there without Making Music's help.

”

- Making Music member

	Info & Advice events	General meetups (incl. in nations)	Guest speaker events	Other events	All events
No. of events	20 (29)	18 (17)	6 (14)	9 (3)	53 (63)
Total number of event attendees	963 (989)	242 (422)	650 (660)	448 (230)	2303 (2359)
Unique attendees	807 (802)	199 (330)	522 (591)	98 (65)	1636 (1626)
First-time attendees	526 (396)	128 (95)	319 (289)	52 (43)	1025 (823)
Average attendance per event	48 (34)	13 (24)	108 (73)	50 (29)	43 (37)

Event feedback:

70% of attendees said they would probably or definitely do something differently or try something new as result of attending an event.

74% of attendees rated events overall at 8 or higher (out of 10).

2. Supporting leisure-time music / supporting members

D. Leisure-time music is recognised and valued

This aim is about ensuring that leisure-time music is recognised and valued.

There are five objectives sitting underneath this aim:

- 1) Making Music members know how to advocate on their own behalf
- 2) There is a louder collective voice
- 3) Leisure-time music is defended against threats; and conditions enable it to thrive
- 4) The breadth and richness of leisure-time music activity is celebrated
- 5) Data & research about leisure-time music are collected and promoted; and benefits highlighted

1) Making Music members know how to advocate on their own behalf

This objective is about empowering music groups and giving them the right information and tools to be able to make their own case to the relevant policymakers, regulators and stakeholders in their communities.

• WHAT WE DID

- 1 event about town and parish councils, 31 attendees, recording, 75 views
- 1 event about the health benefits of taking part in the arts, 113 attendees, recording, 151 views
- 1 event about social prescribing, 166 attendees, 130 views
- 1 event about threats to spaces for regular activity, 37 attendees
- 6 training sessions for staff (CEO & managers in the nations), to enable them to share knowledge with members and enhance their own ability to advocate
- 4 articles in Highnotes (print magazine, 3 times a year), 23 items in iNotes (monthly email newsletter) and total of 20 area updates to UK nations
- Update at the start of each online event includes at least one item on current advocacy, lobbying or consultations

2) There is a louder collective voice

This objective is about ensuring that Making Music is connected to and collaborates with others, to amplify our voice on behalf of our members and the leisure-time music sector.

• WHAT WE DID

- Continued convening, chairing and growing **Singing Network UK**, a loose network of networks & organisations with an interest in singing, meets online.
 - 2 new members joined in 2023 (Quartet of Nations, Peterborough Sings!)
 - 1 meeting, with speakers from Peterborough Sings!, Composers Edition, Royal Schools of Church Music, and topics including International World Choir Symposium
- Convened a new **Community Spaces Network**, with Creative Lives, to support campaign on accessible, affordable local spaces for community activity
 - One meeting in 2023, 15 attendees (by invitation; relevant networks)
- **External events attended by staff:** the purpose is to raise the visibility of leisure-time music with others & make contacts for collaborations or campaigns.
 - **Attendance:** Association of British Orchestras conference & Scotland meetings; Music and Drama Education Expo; National Music Council; Music Education Council (England); Music Education Partnership (Scotland); Royal Philharmonic Society Awards; Classical Sheffield; Scotland Cross Party Groups on Music, and on Culture & Communities; Wales Cross Party Group for Music; Music Partnership Forum Wales; Association of British Choral Directors conference; Military Wives Choirs research launch; What Next? meetings; Campaign for the Arts meetings; Team London Bridge's Climate Change network; Music Publisher Association Christmas lunch & summer event; Scottish Council for Voluntary Organisations (SCVO) Gathering; Scottish Community Link Worker network; Culture Counts (Scotland); Arts Council Northern Ireland strategy consultations; All Party Group for the Arts (Northern Ireland); Independent Society of Musicians' summer event; PRS for Music summer event; Amateo events; member events; UK Music summer event; Scottish Classical Music Sustainability Group; Creative Lives' meetings; Music For Youth festival; Scottish Government Local Governance review; Charity Finance Group London members meeting; Clore Cultural Governance Forum; Ivors Classical; Arts & Humanities Research Council event on fund for Public Engagement with Music research
 - **Spoke at:** Peterborough Sings! Male Voice Choir conference; Scottish Parliament Culture Committee's inquiry into Culture and Communities; on BBC Radio 4's Today programme as speaker for guest editors, members the Dunbartonshire Concert Band; two sessions of Jazz Promotion Network conference; New Surrey Performing Arts Library thank you event; **presented** Sir Charles Groves Prize to Charles Hazlewood of Paraorchestra; **hosted** day for CEOs of membership organisations
- **External connections**
 - (CEO) Treasurer, **Amateo**, European Network for participation in cultural activities; (Deputy CEO) Treasurer, National Music Council; (CEO) Chair, Make Music Day UK; (CEO) trustee, Music Libraries Trust; (Events Manager) trustee, New Surrey Performing Arts Library (until Sep'23)

- **Meetings additionally with**
 - Venue St George's Bristol; English Folk Song and Dance Society; Natural Voice Network; #WeAreMusic; PRS Foundation; lead for National Plan for Music Education Wales; Minister for the Economy (Wales); Brass Bands England; McKinsey's; consultants for Arts Council England South East, National Operatic & Dramatic Association, Orchestras Live!; Scottish Culture Minister civil service team; Theatre & Dance NI; UK Music; Creative Lives; PRS for Music; Hand in Hand Festival; Musicians Union; F-list for Music; Hull University; Newcastle University; Royal Scottish Academy for Music and Drama; Together Coalition; Scottish MSPs; Deputy Minister for Arts Sports and Tourism (Wales)

3) Leisure-time music defended against threats; conditions enable it to thrive

This objective is about reactive advocacy - responding to perceived threats, e.g. potential unintended consequences of new regulation or legislation; and about proactive advocacy - setting out to improve conditions for leisure-time music groups. In 2023, as is often the case, reactive and proactive were different sides of the same coin when it came to community spaces used by the leisure-time music sector.

- **WHAT WE DID - reactive**
 - **Terrorism (Protection of Premises) Draft Bill**, pre-legislative consultation by the Home Affairs Select Committee.
 - Alerted members and published *briefing document*, 22 views
 - 8 case studies received for inclusion in Making Music submission; a further 8 members submitted directly
 - Collaborated with **organisations representing community spaces** to discuss implications of bill and potential unintended consequences
 - **Home Affairs Select Committee** received a third of submissions from the community sector (including Making Music and its members); recommendations to government included looking again at some of the bill's provisions for small community spaces
 - **RESULT** In the autumn King's Speech, **government committed to a further consultation** on the effect of the draft bill on smaller premises before it goes to parliament
 - **Performing Rights Society new Live Classical Music Tariff**, this was consulted on pre-Covid when Making Music and many members responded to their consultation. The conversation was picked up in 2022 and led to a new tariff in 2023.
 - **RESULT** New tariff lower than the one originally proposed; 50% reduction to amateur groups
 - **Campaign to stop Orchestra and Theatre Tax Reliefs reverting from 50% to pre-Covid levels of 25%**; we supported the work done by the Association of British Orchestras on this, supplying them with data and case studies which featured in their submission to Treasury for the March budget
 - Submitted to **HMRC Charity Tax Compliance Consultation**. HMRC recognised the potential impact on small, volunteer run charities in their response
 - Supported submission by Charities Tax Group and National Council for Voluntary Organisations (NCVO) on the **Digital Markers, Competition & Consumer Bill** which unintentionally threatened the claim of Gift Aid on membership subscriptions. Data provided by members was included in the National Council for Voluntary Organisation's briefing to the House of Lords. This has led to amendments to the bill now being tabled.

- **WHAT WE DID - proactive**
 - **#MakeSpaceForMusic campaign** launched in 2023, to address the long-term and increasingly acute problem facing community groups to find accessible and affordable spaces for their regular activity in their local area.
 - **1 event** for members, 37 attendees
 - Inaugural meeting of new **Community Spaces Forum** for building owners'/managers' networks, 15 attendees; to facilitate coordination and collaboration, highlight the impact and value of this infrastructure, and influence for its maintenance, preservation and creation, where absent
 - **1 leaflet for use by members**, explaining to building owners/managers about the benefits of music groups as tenants; sent to all members with *Highnotes* magazine late 2023
 - Double page feature in magazine *Highnotes*
 - **Music libraries:** (affordable and local provision of multiple copies of sheet music via the public library system) this important infrastructure for music groups continues to be under threat, particularly due to local authority finance crises
 - Making Music CEO continues as trustee of the **Music Libraries Trust (MLT)**
 - Co-wrote **MLT's Music Libraries Vision**, published 2022
 - **Celebratory blog on music libraries**, shared on social media, 272 views
 - **RESULT** meeting with Arts Council England (ACE) Director for Libraries and Director for Music; commitment from ACE to act as convener in order to foster greater coordination and chances of preservation for these services
 - **Elections and politicians:** formulated 3 asks for members to use, as they wished, in the run up to local elections in England and Northern Ireland in May 2023
 - **7 blogs or news items on advocacy matters and consultations**

4) The breadth and richness of leisure-time music activity is celebrated

This objective is about increasing the visibility of the leisure-time music sector and showing how diverse it is and what it does well.

- **WHAT WE DID**
 - **Making Music Awards**, celebrating Making Music members and the professionals and volunteers working with and supporting them
 - **Best Music Creator** for a leisure-time music group: Richard Blackford, for *Babel*, for Camden Choir
 - **Best Arranger** for a leisure-time music group: Fran Carter, for *Treat People With Kindness*, for Vocal Dimensions Chorus
 - **Best Project with New Music:** Glasgow School of Art's **Composeher** project, commissioning 7 female composers
 - **Lady Hilary Groves Award:** Christopher Green, from member Trianon Music Group, for making a significant contribution to the musical life of his community over 6 decades of leadership
 - **President's Award:** winner decided by online open voting Brian Woolley, volunteer for Blackheath Choir for over 40 years
 - **NEW Green Award:** Derwent Brass, highly commended: Maldon Orchestra
 - **Sir Charles Groves Award:** Charles Hazlewood, of Paraorchestra, for showing that disability was not a barrier to music-making and thus making a significant contribution to the musical life of the UK
 - The winners were announced by Making Music President Debbie Wiseman OBE at an **online ceremony**, 73 attendees
 - **Press release**, 217 views, 46 uses in mixture of media

- Created **broadcast opportunities** to showcase members:
 - **Classic FM** annual broadcast of carols by 5 Making Music groups showcased in week before Christmas: *Aberdeen Sweet Adelines; Llandaff Cathedral Choral Society; London Oriana Choir; The Sunday Boys; Uckfield Concert Brass*
 - **BBC Radio 3's** broadcast of 4 Adopt a Music Creator projects' new pieces, From Dawn to Dreams performed by Aldworth Philharmonic Orchestra and Reading Youth Orchestra (composer: Caitlin Harrison); Dream big for tomorrow performed by Camden Symphony Orchestra (composer: Claire Victoria Roberts); Rhymes & Recollections performed by Aberdeenshire Saxophone Orchestra and Ugie voices (composer: Ben Lunn); Brushstrokes performed by Bedfordshire Woodwind Academy Flute Ensemble (composer: Edgar Divver).
- Created **showcase opportunities** for groups: on **Make Music Day** (21 June) - Scottish Parliament; Enniskillen (NI); Wrexham (Wales); England -Big Wind Orchestra and Choir, London. Some of these contributed to the UK segment of the worldwide 12 hour broadcast coordinated by the Make Music Day UK team.
- **Promoted leisure-time music groups** via our online *Find a Group tool*, our *Events calendar*, our communications, including *Highnotes* magazine, *iNotes* e-newsletter, *press releases*, *social media*.
 - **Find-a-Group** 48,002 page views (2022: 49,973)
 - **Events pages** 60,263 views (2022: 71,703)
 - **3 editions of Highnotes**, featuring more than 47 members overall
 - **12 editions of iNotes and 20 nation updates**, with 18+ celebratory items
 - **10 blogs on the Adopt a Music Creator projects**, 572 views
 - **22 other blogs/news items about members**, 5,473 views
 - **7 press releases**, 242 recipients, 460 click-throughs, 46 uses
 - **Social media**, see statistics above
- Contributed nominations to the **Royal Philharmonic Society's Inspiration Award** and the Making Music Chair was part of the shortlisting panel
- We were able once again to secure the support of **Debbie Wiseman OBE** as **President of Making Music**, to act as ambassador and figurehead for Making Music and its members.

5) Data & research about leisure-time music is collected, promoted; benefits highlighted

This objective is about making sure that Making Music and its members, and others in the leisure-time music sector, have as much evidence, research and information as possible at their fingertips demonstrating the size, breadth, impact and benefits of leisure-time music activity for individuals and communities. This will support advocacy of all kinds.

- **WHAT WE DID**
 - **1 event** focussed on research, Dr Karen Mak of the Social Biobehavioural Research Group and the World Health Organisation Collaborating Centre for Arts & Health, based at University College London (UCL), presented highlights from their report, 'Arts and Health across the lifespan: findings from major US & UK cohort studies 2017-2022', 113 attendees; **recording**, 57 views
 - **2 pieces of evidence** added to the evidence bank

The information held on our website is due to be thoroughly reviewed and restructured for the new website relaunch in 2024.

Summary of membership data

We benefitted **0.8% (2022: 2.2%)** more groups:

- 3,279 full members (2022: 3,266)
- 330 associate members (2022: 323)
- 439 affiliate members (2022: 427)
- **TOTAL 4,048 (2022: 4,016)**

This breaks down into:

- **2,167 singing groups** - 54% of members (2022: 2,181 54%)
- **1,486 instrumental groups** - 37% of members (2022: 1,432 37%)
- **395 promoters** - 10% of members (2022: 404; 10%)

Groups' annual income on which their subscription for 2023 (2022 in brackets) was based:

- **Less than £7.2k: 54%** (2022: 65%)
- **£7.2k-14.5k: 22%** (18%)
- **14.5k-£21k: 9%** (7%)
- **£21k-£31k: 6%** (4%)
- **£31k-£100k: 7%** (5%)
- **More than £100k: 2%** (2%)

2022 income brackets still showed a clear Covid impact (when groups' turnover generally collapsed); when groups renewed for 2023, this effect was still visible, but to a lesser extent. **By the time groups renewed for 2024, the impact of the 2020/21 Covid-related standstill in activity was no longer in evidence.**

Plans for future periods

2024

Aim - Leisure-time music is recognised and valued: we will balance reactive and proactive advocacy, continue to celebrate members, and feature collated evidence and data more strongly on our new website. Some priorities:

- Campaign to **extend Orchestra Tax Relief to choirs** by making 'voice' one of the instruments
- Continue to highlight the **need for (and threats to) hyperlocal affordable spaces for community activity** such as making and presenting music
- Continue to help find creative local solutions when **music libraries** are under threat
- Work to support other organisations campaigning to reform **banking for small charities**
- Follow progress of **Martyn's Law (Terrorism bill)** through parliament
- Collate and share **research and data on the new website**

Aim - music groups are connected: we will continue to focus on helping members recruit and retain participants, grow their audiences, become better connected in their communities (signposting to relevant opportunities) and learn from each other. With the launch of the

new website, it will become easier to buddy up members with each other; but we will also continue our very popular online events which connect members.

Aim - music groups are more sustainable: we will focus strongly on helping members

- become financially more resilient; encouraging them to look holistically at their income, and claim Orchestra Tax Relief & Gift Aid, and supporting their Treasurers
- improve their governance; supporting legal status reviews; succession planning; and facilitating difficult conversations when challenges arise in a management group
- be open to and embrace change; conclude the INCLUDE project and disseminate the learning in early 2025; signpost to new opportunities; make the case for continual development; support change makers with a new Chairs Network
- streamline their processes and improve their online presence; increasing our capacity to offer Making Music Platform to more members; delivering more digital skills training; exploring the possibilities and challenges of AI for members

Aim - music groups make the most of Making Music as their home and ally: our main focus here for 2024 is to launch the new website and then roll out information and training to members, so they are able to make the most of it very quickly.

Organisationally, Making Music will focus on:

- **delivering the new website (due August 2024);** this strategic project is crucial for members' and Making Music's future resilience, enabling members to make the most of our resources and services and enabling Making Music to reach more groups and strengthen its voice. It is therefore our view that investing in the new website is a responsible use of our reserves and of staff resource for the preparation and development, as it furthers our purpose to support the leisure-time music sector
- **increasing our membership;** so that we may strengthen our representative voice and be able to deliver greater value to more individuals and communities by empowering and supporting the volunteers who run music groups, enabling groups to thrive
- **continuing our work on becoming an inclusive and diverse organisation,** able to welcome the most talented people to join us and support them to flourish and develop

Financial review

Financial result for 2023

Making Music welcomed a return to positive net income in 2023, reflecting the improved environment for our members to re-establish their activity following the Covid-19 pandemic. While grant income supported the turnaround to total net income of £98,009 (2022: total net expenditure of £71,534), we also re-established an underlying net operating income position.

Total income of £928,990 (2022: £702,779) included membership subscription income of £493,521 (2022: £450,454). This, our largest income stream, moved towards a more usual pattern but being based on our members' income in the preceding year, it has taken until 2024 to fully recover from the pandemic.

As member activity resumed, income from our paid-for member services increased by 36% to £115,951 (2022: £85,147). Funding from the Esmée Fairbairn Foundation enabled us to employ an additional member of staff to meet the demand for our Making Music Platform member website product and supported our Orchestra Tax Relief claim service. Income from this service more than doubled as members benefitted from the extension of enhanced tax relief to invest in new productions and we introduced a new fee structure. We added a new

service this year, enabling our musical theatre and opera members to claim Theatre Tax Relief.

Two unrestricted grants from the Esmée Fairbairn Foundation (EFF) and Arts Council England (ACE) helped support both Making Music and our members' return to financial independence and contributed to the long-term health of the sector by funding new work to help our groups identify and remove barriers to retaining and attracting new members.

We benefitted from consistently higher interest rates this year on the cash we hold for membership fees collected annually in advance and on the funds set aside for the new website project.

Total expenditure for the year was £841,299 (2022: £770,619). This increase reflected new grant-funded posts and other time-limited activities. Demand for our member services required additional resource, a proportion of which was externally funded. Our staff team is our most valuable asset and it was necessary to respond to the cost-of-living increase by awarding a salary increase of £1,500 per annum to all staff. Other discretionary costs, particularly on marketing, were capped as we focused on building reserves to set aside for developing the new website and digital delivery portal, due to be implemented in 2024.

Consolidated cash balances of £1,306,065 at 31 December 2023 (2022: £1,312,444) include deferred membership subscription income collected for 2024 and insurance premiums and PRS fees collected from members to be paid over to third parties early in 2024. Net current assets of £536,236 (2022: £606,194) provide a more accurate picture of working capital. The decrease in working capital reflects the investment to date in the development of the new website and digital delivery portal. The development costs to date have been capitalised and recognised as an intangible fixed asset. Amortisation of these costs, over the expected useful life of the website, will begin once the website goes live.

The trading subsidiary, NFMS Enterprises Limited, generated a profit of £38,444 (2022: £12,324) which was donated to the charity under deed of covenant.

Reserves Position

Total funds held at the end of the year were £851,546 (2022: £753,537). This increase reflects the deliberate building and designation of funds for the website and digital delivery portal, as well as unrestricted grant income received in advance for future spending.

Of these funds, £335,200 (2022: £325,275) were held in a permanent endowment fund and £93,107 (2022: £108,952) were held in funds for restricted purposes.

Unrestricted funds of £423,239 (2022: £319,310) included £114,333 (2022: £49,445) held in designated funds to spend on projects in 2024, including £113,112 to complete the development of the new website and digital delivery portal.

The remaining unrestricted general funds of £308,906 (2022: £269,865) include £169,182 (2022: £11,533) which can only be realised by disposing of fixed assets. This leaves free reserves of £139,724 (2022: £258,332).

Reserves Policy

It is the policy of the charity to maintain adequate reserves to cover between 3 and 6 months of unrestricted expenditure, in normal circumstances. This target has been set because the charity has a high committed cost base. Staff costs account for approximately 66% of expenditure, with our staff team vital to providing services paid for in advance by our

members. The second largest cost is office rent, with a five-year lease commitment remaining until June 2025.

Unrestricted funds at 31 December 2023 were £423,239 (2022: £319,310) but after deducting designated funds and fixed assets, the remaining free reserves of £139,724 (2022: £258,332) represent 2.3 months' (2022: 4.9 months') of unrestricted expenditure, excluding depreciation (based on current year figures). This is outside of the parameters of the reserves policy but represents an investment of reserves in future activities for the benefit of our members. With the remaining cost of the website and digital delivery portal fully designated, and a plan to rebuild reserves with net operating income for 2024, this is expected to be a minimum reserve position.

Investment Policy

The Board approved a new Investment Policy in February 2023. The policy recognises two distinct pools of funds available for investment:

- An operating fund comprising surplus unrestricted and restricted funds. The purpose of this fund is to provide sufficient cash to meet the day-to-day financial obligations of the charity. The investment objectives include capital preservation and liquidity which limit the risk appetite for these funds. Funds are held in a mixture of current, short-term and medium-term bank deposits.
- A Permanent Endowment Fund comprising the capital of the Philip & Dorothy Green legacy for young musicians. The fund must balance returns to maintain the capital value of the endowment in perpetuity while providing income for subsidies, grants and awards within the purposes of the endowment. A diversified approach, using a pooled multi-asset fund helps mitigate the risk of volatility and exposure to one sector.

At the beginning of the year, this fund was held in a mixture of short and medium-term bank deposits and the CAF Equitrack Fund. The CAF Equitrack Fund closed in April 2023, realising a capital gain of £5,342. The proceeds of the fund were reinvested in the IFSL CAF ESG Income and Growth Fund (CAF ESG Fund), reflecting the Investment Policy and consistency with the charity's ethical policies and values.

The capital value of the CAF ESG Fund increased by £4,976 over the period to £146,128, (2022: a decrease in the value of the CAF Equitrack Fund of £13,694 to £135,810). The capital value represents an increase of 22% in the amount originally invested (most recent addition in 2016). Investment income earned by the funds in the year was £4,055 (2022: £4,523).

Going Concern

This was a year of recovery following the devastating impact of the Covid-19 pandemic on live music making. With grateful support from external funders, we have been able to invest in services to help our members rebuild their activity and return the charity to a net income position.

Since the end of the financial year, membership retention for 2024 has remained steady, with 94% of member groups renewing their subscription (2022: 95%). The slight fall reflects the delay to opening renewals caused by the need to change the insurance provider for our members at short notice and is believed to be recoverable. Our consistently high retention rate demonstrates both the resilience of our member groups and the value they place on their membership of Making Music.

However, 2023 was still a transitional year as members renewed their subscriptions based on their own income for 2021/2022. 54% of members renewed at the lowest subscription rate for 2023, an improvement compared to 64% for 2022 but not back to pre-pandemic levels. For 2024, 45% members renewed at the lowest subscription rate, demonstrating the impact of the lag in recovery.

We are fortunate that the timing of membership renewals and some other income streams is heavily weighted to the first quarter of the year, giving us highly predictable annual income at the start of the year. By 31 March 2024, 85% of forecast income for 2024 (2023: 88%) had been earned, allowing us to make effective financial plans for the rest of the year.

As our underlying financial position returns to net income, we feel confident to make a significant investment of reserves in a new website and digital delivery portal. This will enhance the service we provide to members, improving their long-term resilience and that of Making Music.

At the date of approving the report and accounts, the Board believes there are no material uncertainties about the charity's ability to continue as a going concern and the financial statements are prepared on a going concern basis.

The Board's Finance & Compliance Committee continues to monitor the economic situation, reviewing management accounts and reforecasts for 2024 and draft budgets for future years on a regular basis.

Other Principal Risks and Uncertainties

The Board has carried out a review of the major risks to which the charity is exposed and has put in place controls and activities to mitigate those risks which are within their control to influence ('strategic risks', 'preventable risks'), and to be prepared for any risks which may be outside their control ('external risks').

In addition, as part of the work for the new 5 year plan, in force since January 2023 and valid until December 2027, the Board and Senior Management Team reviewed the internal risks and priorities for Making Music, to ensure the organisation remains sustainable and able to deliver public benefit and relevant support to the leisure-time music sector.

To achieve the aim of Making Music sustainability, 5 objectives have been identified:

- 1) Grow and broaden membership and membership offer; *this will strengthen Making Music financially and as the voice for the leisure-time music sector.*
- 2) Retain, recruit, develop, support staff team & Board; *Making Music's team and Board are its biggest asset and unique selling point, due to their in-depth understanding and knowledge of the sector; it is therefore crucial to support the team to thrive.*
- 3) Clarify and communicate brand identity; launch & embed new website; *the new website, due to launch 2024, will facilitate members' access to services and resources, reduce uptake of team time, and provide a clearer path for non-members to be guided to membership or to relevant resources, opportunities and campaigns.*
- 4) Rebuild reserves & ensure suitable premises; *as a 10 year office lease comes to an end, a detailed feasibility study has identified the best way forward for the organisation; reserves - plans are in place to grow income generation, to allow rebuilding of the reserves invested in the new website.*
- 5) Document outcomes and impact; *Making Music has developed thorough and detailed plans on how to measure, report on and disseminate the outcomes of its work.*

Risk/type of risk	Impact x Likelihood	Mitigation
Strategic risk: new website project overrun (time, cost)	5 x 3 = 15 (medium)	<ul style="list-style-type: none"> - Avoid changes to agreed website scope - Prioritise staff resource to focus on website - Back up plans in place
Preventable risk: Lack of financial sustainability	5 x 3 = 15 (medium)	<ul style="list-style-type: none"> - Prioritise member recruitment & retention - Develop earned income in our control - Help members maximise their income - Contain costs & keep reserves under review - Consider external funding opportunities
Preventable risk: Weak governance and non-compliance	4 x 3 = 12 (medium)	<ul style="list-style-type: none"> - Ensure vision, mission, objectives and plan clear to Board, staff and members - Invest in Board communications, development, induction - Policies, procedures & processes in place with compliance oversight & training for staff and Board - Keep abreast of regulatory changes and best practice - Seek professional advice where appropriate - Review of risk assessment four times a year
Preventable risk: Infrastructure/ Resources failure	3 x 3 = 9 (medium)	<ul style="list-style-type: none"> - Strong focus on fit for purpose IT infrastructure; cyber security; secure data management training and processes - Appropriate insurance policies - Best practice HR management, focusing on support and development of staff; prioritise resources on pay & terms
Preventable risk: Reputational damage	3 x 2 = 6 (low)	<ul style="list-style-type: none"> - External representation guidelines for staff and Board incl. on social media - Emergency media plan in place - Careful consideration of lobbying, advocacy & campaigning - Timely & appropriate response to public comments
External risk: economic (rising costs, local authority crises, infrastructure failure (especially spaces for member activity))	3 x 3 = 9 (medium)	<ul style="list-style-type: none"> - Regular and systematic monitoring of external environment for potential threats, for Making Music and for members - Regular management meetings to evaluate and respond to changing circumstances for Making Music - Campaigning on #MakeSpaceForMusic and creative tax reliefs on behalf of members, collaborating with others
External risk: technological (AI; skills to maximise digital benefits and minimise online threats)	3 x 3 = 9 (medium)	<ul style="list-style-type: none"> - Invest in understanding and training in use and implications of AI, cyber security, digital tools - Write policy and strategy on AI for Making Music - Support members with digital skills, cyber security and AI

Structure, governance and management

Making Music’s governing documents are its Articles of Association. As well as being a registered charity in England and Wales, Making Music is a registered charity in Scotland and a company limited by guarantee.

Making Music’s Board of Directors is made up of 9 trustees elected by and from the membership and up to 5 trustees co-opted by the Board of Directors. The Chair, Vice Chair and Honorary Treasurer are elected by the Board from among their number and can serve in their role for up to two terms of three years each. Co-opted trustees can serve one term of three years each. In March 2024, the Chair, an elected member of the Board, became a co-opted member of the Board when their group ceased to be a member of Making Music.

Every year, a third of elected trustees retire. Retiring trustees can put themselves forward again for election for a maximum two terms of three years each. A call is put out to members for nominations and when there are more nominations than vacancies, an election is held (this is usually the case), with the result announced at the Annual General Meeting.

When a new trustee is appointed or co-opted, they receive a full day induction from the Chief Executive and Chair, including on procedures, policies, strategy, and have an opportunity to meet all the staff of the charity.

Organisation

Overall responsibility for the Charity’s strategy and direction rests with the Board of Trustees, which comprises all Directors. The carrying out of day-to-day activities is delegated to the staff under the management of the Chief Executive and Senior Management Team.

A remuneration committee of the Board sets the pay structure for all staff. If applicable, any annual percentage increase is applied consistently to all staff.

Subsidiaries

The charity has a trading subsidiary, NFMS Enterprises Ltd, whose accounts are reported separately, and are consolidated into these accounts.



The Choir With No Name



OUTSINGCANCER Choir performing at a community centre

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and accounts in accordance with applicable law and regulations.

The Trustees are the company's Directors. Company law requires the Directors to prepare accounts for each financial year. Under that law they have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these accounts, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

In accordance with company law, the trustees, as the company's Directors, certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the Board on 22 May 2024.

By order of the Board

Rhiannon Harrison

Rhiannon Harrison
Chair

Opinion

We have audited the financial statements of National Federation of Music Societies (“the parent charitable company”) and its subsidiary (together “the group” for the year ended 31 December 2023, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Statement of Cash Flows, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2023 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 25, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory framework applicable to the preparation of the financial statements of the group, and the procedures that management adopt to ensure compliance. We have considered the extent to which non-compliance might have a material effect on the financial statements, and in particular we identified: the Companies Act 2006, the Charities Act 2011, Charities SORP, Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

We have also identified other laws and regulations that do not have a direct effect on the amounts or disclosures within the financial statements, but for which compliance is fundamental to the group's operations and to avoid material penalties, including GDPR, employment law, and health and safety regulations.

Having reviewed the laws and regulations applicable to the group, we designed and performed audit procedures to obtain sufficient appropriate audit evidence. Specifically, we:

- Selected a team with sector experience to perform the audit;
- Obtained and reviewed internal policy and procedure documents;
- Made enquiries of management and the trustees regarding whether they were aware of any actual or suspected incidences of non-compliance with the laws and regulations;
- Obtained and reviewed meeting minutes;
- Obtained and reviewed correspondence with the regulator;
- Reviewed legal expenses accounts for indications of any possible non-compliance; and
- Reviewed the completeness and accuracy of any disclosures made in the financial statements.

We assessed the susceptibility of the group's financial statements to material misstatement, including considering how fraud might occur. This was performed by:

- Making an assessment of the group's systems and controls, including identifying any weaknesses and considering the risk of management override of controls;
- Assessing the susceptibility of the group's financial statements to material misstatements, including considering how fraud could occur;
- Considering if there are any incentives or opportunities for management to manipulate financial results;
- Obtaining and evaluating the trustees' assessment of the risk of fraud, and enquiring as to whether they were aware of any actual or suspected fraud;
- Reviewing the accounting policies and accounting estimates for signs of management bias; and
- Identifying key risks relating to irregularities as relating to management override of controls, the completeness of income and deferred income in relation to membership subscriptions, and the judgements used in accounting for the new website costs.

We then designed audit procedures in response to the risks identified, including reviewing journal entries, assessing management estimates and judgements, performing substantive analytical review supported by testing of underlying controls for income and deferred income, and corroborating the website costs accounting treatment to underlying documentation.

The audit has been planned and performed in accordance with auditing standards, however, because of the inherent limitations of audit procedures there remains a risk that we will not detect all irregularities, including those that may lead to material misstatements in the financial statements. There are inherent difficulties in detecting irregularities, and irregularities that result from fraud may be more difficult to detect than irregularities that result from error, for example due to concealment, override of controls, collusion or misrepresentations. In addition, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less audit procedures are able to identify it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Use of our report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the parent charitable company's members and trustees 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 parent charitable company, the parent charitable company's members as a body and the parent charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A S Healey

A S Healey FCA CTA DChA (Senior Statutory Auditor)

For and on behalf of:

Lindeyer Francis Ferguson Limited

Statutory Auditor

Chartered Accountants

North House

198 High Street

Tonbridge

Kent TN9 1BE

Date: 28 May 2024



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023

		<i>2023</i>	<i>2023</i>	<i>2023</i>	<i>2023</i>	<i>2022</i>
		<i>Unrestricted</i>	<i>Restricted</i>	<i>Endowment</i>	<i>Total</i>	<i>Total</i>
		<i>funds</i>	<i>funds</i>	<i>funds</i>	<i>funds</i>	<i>funds</i>
	Note	£	£	£	£	£
Income from:						
Donations and legacies	3	170,018	71,800	-	241,818	113,198
Charitable activities	4	609,472	-	-	609,472	535,601
Other trading activities	5	45,162	-	-	45,162	39,555
Interest and dividends		19,250	13,288	-	32,538	14,425
Total		843,902	85,088	-	928,990	702,779
Expenditure on:						
Raising funds	6	19,665	-	-	19,665	16,085
Charitable activities	7	733,529	87,712	393	821,634	754,534
Total		753,194	87,712	393	841,299	770,619
Net gains/(losses) on investments	12	-	-	10,318	10,318	(3,694)
Net income/(expenditure) for the year	8	90,708	(2,624)	9,925	98,009	(71,534)
Transfers between funds		13,221	(13,221)	-	-	-
Net movement in funds		103,929	(15,845)	9,925	98,009	(71,534)
Reconciliation of funds:						
Total funds brought forward		319,310	108,952	325,275	753,537	825,071
Total funds carried forward	15	423,239	93,107	335,200	851,546	753,537



CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Intangible assets	10		162,822		-
Tangible assets	11		6,360		11,533
Investments	12		146,128		135,810
			<u>315,310</u>		<u>147,343</u>
Current assets					
Debtors	13	179,602		190,957	
Cash at bank and in hand		1,306,065		1,312,444	
		<u>1,485,667</u>		<u>1,503,401</u>	
Creditors: amounts falling due within one year	14	(949,431)		(897,207)	
Net current assets			536,236		606,194
Total net assets			<u>851,546</u>		<u>753,537</u>
The funds of the charity:					
Endowment funds			335,200		325,275
Restricted funds			93,107		108,952
Unrestricted funds			423,239		319,310
	15		<u>851,546</u>		<u>753,537</u>

The financial statements were approved by the Board of Trustees on 22 May 2024 and were signed on its behalf by:

Rhiannon Harrison

Peter Burchill

Rhiannon Harrison
Trustee

Peter Burchill
Trustee

Company number: 308632

THE NATIONAL FEDERATION OF MUSIC SOCIETIES
TRADING AS MAKING MUSIC



CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Intangible assets	10		162,822		-
Tangible assets	11		6,360		11,533
Investments	12		146,131		135,814
			<u>315,313</u>		<u>147,347</u>
Current assets					
Debtors	13	200,789		223,761	
Cash at bank and in hand		1,268,892		1,277,141	
		<u>1,469,681</u>		<u>1,500,902</u>	
Creditors: amounts falling due within one year	14	(933,448)		(894,712)	
Net current assets			<u>536,233</u>	<u>606,190</u>	
Total net assets			<u><u>851,546</u></u>	<u><u>753,537</u></u>	
The funds of the charity:					
Endowment funds			335,200		325,275
Restricted funds			93,107		108,952
Unrestricted funds			423,239		319,310
	15		<u><u>851,546</u></u>		<u><u>753,537</u></u>

The financial statements were approved by the Board of Trustees on 22 May 2024 and were signed on its behalf by:

Rhiannon Harrison

Peter Burchill

Rhiannon Harrison
Trustee

Peter Burchill
Trustee

Company number: 308632



CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	A	124,745	(78,704)
Cash flows from investing activities:			
Dividends and interest from investments		32,538	14,425
Purchase of intangible fixed assets		(162,822)	-
Purchase of tangible fixed assets		(840)	(1,540)
Net cash (used in)/provided by investing activities		(131,124)	12,885
Change in cash and cash equivalents in the year		(6,379)	(65,819)
Cash and cash equivalents at the beginning of the year		1,312,444	1,378,263
Cash and cash equivalents at the end of the year		1,306,065	1,312,444
A. Reconciliation of net income / (expenditure) to net cash flow from operating activities			
Net income/(expenditure) for the year		98,009	(71,534)
Depreciation and amortisation charges		6,013	9,627
(Gains)/losses on investments		(10,318)	3,694
Dividends and interest from investments		(32,538)	(14,425)
Decrease /(increase) in debtors		11,355	(106,904)
Increase in creditors		52,224	100,838
Net cash provided by/(used in) operating activities		124,745	(78,704)



1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Making Music meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

There are no material uncertainties about the charity's ability to continue, and so the going concern basis of accounting has been adopted.

The financial statements are presented in pounds sterling and rounded to the nearest pound.

Basis of consolidation

The consolidated financial statements incorporate those of Making Music and its wholly owned subsidiary undertaking, NFMS Enterprises Limited. All intra-group transactions and balances are eliminated on consolidation.

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

Income from donations and grants is recognised when the charity is entitled to the funds, the receipt is probable and the amount can be measured reliably. For donations, this is usually on receipt. For grants, this is usually when a formal offer is made in writing, unless the grant contains terms and conditions outside of the charity's control which must be met before the charity is entitled to the funds. Where grants are received in response to a proposal including a budgeted timescale, such that the timescale for the expenditure is implicit in the grant agreement, the income is recognised in accordance with that timescale.

Income from legacies is recognised when there has been a grant of probate, the executors have established that there are sufficient assets in the estate to pay the legacy, and any conditions attached are within the control of the charity or have already been met.

Income from charitable activities, including member services, is recognised over the period to which the income relates. Membership subscriptions are recognised on a straight line basis over the term of the subscription.

Gifts in kind are only included in the financial statements when the charity is entitled to them, when it is probable that the charity will receive the economic benefits, and when the fair value or value to the charity, as appropriate, can be measured with sufficient reliability.

Investment income is recognised when receivable. Interest is accounted for as accrued income where it is due but has not yet been credited.

Expenditure

Expenditure is recognised when a present legal or constructive obligation exists at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be estimated reliably.

Grants payable are recognised when a commitment has been communicated to the beneficiary.

1 ACCOUNTING POLICIES continued

Expenditure (continued)

Staff costs have been allocated to expenditure headings on the basis of an estimate of the amount of time spent by staff members in each area.

Support costs are those functions that assist the work of the charity but do not directly relate to the charitable activities, and include governance costs. Support costs have been allocated to charitable activities on the basis of direct staff costs.

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 the 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.

The permanent endowment fund relates to a legacy from Philip & Dorothy Green for young musicians. The net income is transferred to a separate restricted fund.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

During the year, the Board approved a new accounting policy for fixtures, fittings and equipment changing from a historic reducing balance basis of between 7 and 33% to a straight line basis. Historic assets which met the definition of leasehold improvements were transferred to a new category and depreciated over the remaining length of the office lease. The trustees believe that both measures are an appropriate and prudent response to the end of the current office lease in 2025.

Depreciation is provided at rates calculated to write off the cost less estimated realisable value of each asset over its expected useful life, as follows:

Leasehold improvements	straight line basis over remaining lease life
Fixtures, fittings and equipment	remaining net book value on straight line basis over two years
Computer equipment	33% on the straight line basis

Assets costing less than £500 are not capitalised but are recognised as expenditure in the Statement of Financial Activities in the year incurred.

Intangible fixed assets and amortisation

Intangible fixed assets are recognised when it is probable that future economic benefits will be realised and the cost or value of development can be measured reliably. They are stated at cost less amortisation. The cost of the asset comprises its purchase price and directly attributable costs of preparing the asset for its intended use. This includes employee costs arising from the generation of the intangible asset. Expenditure on research is expensed. Completed assets are amortised over their useful economic life from the month of completion.

During 2023, work began on the development phase of a new website and digital delivery portal for our members. The development costs have been capitalised and treated as an intangible fixed asset (previous websites have been treated as tangible fixed assets). Amortisation will begin when the website is operational in 2024.

Music catalogue copyright licences	5% on the straight line basis
New website (2024)	20% on the straight line basis

Investments

Listed investments are stated at fair value. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the Statement of Financial Activities.

Investments in subsidiary undertakings are stated at the lower of cost and net realisable value.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1 ACCOUNTING POLICIES continued

Financial instruments

Other than listed investments, the charity only has financial instruments of a kind that qualify as basic financial instruments. Short term basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period to which the entitlement relates.

Payments to defined contribution pension schemes are charged as an expense as they fall due.

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

2 STATUS

Making Music is a charitable company limited by guarantee incorporated in England and Wales. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is 8 Holyrood Street, London SE1 2EL.

3 INCOME FROM DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	30,339	23,892
Grants	211,479	89,209
Legacies	-	97
	<u>241,818</u>	<u>113,198</u>

In the preceding period, donation income of £73,369 and total income of £81,949 was restricted.

4 INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	£	£
Membership subscriptions	493,521	450,454
Member services	115,951	85,147
	<u>609,472</u>	<u>535,601</u>

5 INCOME FROM OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Advertising	24,827	22,951
Rental income	19,711	16,000
Other income	624	604
	<u>45,162</u>	<u>39,555</u>



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

6 EXPENDITURE ON RAISING FUNDS

	2023	2022
	£	£
Staff costs	9,957	6,397
Advertising agent commission	8,858	8,001
Other fundraising costs	850	1,687
	<u>19,665</u>	<u>16,085</u>

7 EXPENDITURE ON CHARITABLE ACTIVITIES

	2023	2023	2023	2022
	Supporting	Supporting	Total	Total
	members	leisure-time	£	£
	£	music	£	£
	£	£	£	£
Staff costs	400,295	73,293	473,588	382,862
Direct costs	54,353	19,101	73,454	108,078
Publication costs	24,716	-	24,716	24,806
Promoter subsidies	2,679	-	2,679	4,499
Event costs	3,288	-	3,288	1,837
Grants payable	8,275	-	8,275	8,350
Support costs allocated	199,167	36,467	235,634	224,102
	<u>692,773</u>	<u>128,861</u>	<u>821,634</u>	<u>754,534</u>
Support costs comprise:				
Support staff costs			73,120	79,072
Other staff costs			12,450	6,745
Marketing			15,990	25,542
Premises and office costs			108,799	88,168
Depreciation			6,013	9,627
Legal and accountancy fees			752	2,034
Other costs			8,934	5,089
Governance costs:				
Trustee expenses			2,326	925
Audit fees			7,250	6,900
			<u>235,634</u>	<u>224,102</u>

In the preceding period, expenditure of £104,964 came from restricted and endowment funds.

8 NET INCOME / (EXPENDITURE)

	2023	2022
	£	£
Net income / (expenditure) is stated after charging/(crediting):		
Depreciation	6,013	9,627
Auditors' remuneration for audit services	7,250	6,900
Auditors' remuneration for non-audit services	278	185
Operating lease rentals	38,887	38,887
	<u>38,887</u>	<u>38,887</u>

As permitted by s408 Companies Act 2006, the parent charity has not presented its own Statement of Financial Activities and related notes. The parent charity's net income for the year, before donation of subsidiary profit and excluding investment gains/losses, was £49,248 (2022: net expenditure £80,164).



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

9 STAFF COSTS

	2023 £	2022 £
Gross salaries	494,694	420,541
Employer's National Insurance contributions	42,810	35,364
Employer's pension contributions	15,303	12,426
Redundancy payment	3,858	-
	<u>556,665</u>	<u>468,331</u>

One termination payment was payable during the period (2022: none).

One employee had employment benefits (excluding employer pension contributions) between £60,000 - £70,000 in the current period (2022: none).

At the balance sheet date, there were no unpaid pension contributions (2022: none).

The average number of employees during the year was 17 (2022:16). The average number of full-time equivalent employees was 14 (2022:12). Two employees were on parental leave during the year (2022: none).

10 INTANGIBLE FIXED ASSETS

Group and charity	<i>Music licences</i> £	<i>Website</i> £	<i>Total</i> £
Cost			
Brought forward at 1 January 2023	1,500	-	1,500
Additions	-	162,822	162,822
	<u>1,500</u>	<u>162,822</u>	<u>164,322</u>
Carried forward at 31 December 2023	1,500	162,822	164,322
Amortisation			
Brought forward at 1 January 2023	1,500		1,500
Charged for the year	-		-
	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Carried forward at 31 December 2023	1,500	-	1,500
Net book value			
At 31 December 2023	<u>-</u>	<u>162,822</u>	<u>162,822</u>
At 31 December 2022	<u>-</u>	<u>-</u>	<u>-</u>

In December 2022, the charity made a contractual commitment for the development of a new website and digital delivery portal, due for delivery in 2024. Development costs to 31 December 2023 have been treated as an intangible fixed asset. The remaining anticipated development cost of £113,112 has been transferred to a designated fund, of which £98,424 was committed at 31 December 2023. Amortisation will commence when the website is operational. Final research expenditure for the project of £6,105 was treated as an expense in the year and funded from a designated fund set aside for this purpose in previous years.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

11 TANGIBLE FIXED ASSETS

Group and charity	Leasehold improvements £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost				
Brought forward at 1 January 2023	-	17,426	134,273	151,699
Transfers	10,265	(10,265)	-	-
Additions	-	-	840	840
Disposals	-	(192)	(4,917)	(5,109)
Carried forward at 31 December 2023	10,265	6,969	130,196	147,430
Depreciation				
Brought forward at 1 January 2023	-	11,610	128,556	140,166
Transfers	5,609	(5,609)	-	-
Charged for the year	1,863	580	3,570	6,013
Disposals	-	(192)	(4,917)	(5,109)
Carried forward at 31 December 2023	7,472	6,389	127,209	141,070
Net book value				
At 31 December 2023	2,793	580	2,987	6,360
At 31 December 2022	-	5,816	5,717	11,533

During the year, the Board approved a new accounting policy for fixtures, fittings and equipment changing from a historic reducing balance basis of between 7 and 33% to a straight line basis. Historic assets which met the definition of leasehold improvements were transferred to a new category and depreciated over the remaining length of the office lease. The trustees believe that both measures are an appropriate and prudent response to the end of the current office lease in 2025. The impact of these two measures increased the cost of depreciation for 2023 by £1,872, bringing forward depreciation charges which would have been made in future periods.

12 INVESTMENTS

Group	2023 £	2022 £
Listed investments		
Fair value at 1 January	135,810	139,504
Additions	141,152	-
Disposals	(135,810)	-
Unrealised gains and losses	4,976	(3,694)
Fair value at 31 December	146,128	135,810

At the beginning of the year, investments were held in the CAF Equitrack Fund. This fund closed in April 2023, realising a capital gain of £5,342. Proceeds were reinvested in the IFSL CAF ESG Income and Growth Fund.

In addition, the charity has an investment of £4 (2022: £4), being a holding of 100% of the ordinary share capital, in NFMS Enterprises Limited (company number 02844532), its trading subsidiary. NFMS Enterprises Limited is a company registered in England and Wales with number 02844532. Its registered office is 9 Holyrood Street, London SE1 2EL. All of its profits are covenanted to the parent charity.

The subsidiary contributed turnover of £98,475 (2022: £68,504), expenditure of £60,031 (2022: £56,180) and a profit to the charity of £38,444 (2022: £12,324). At the balance sheet date, the subsidiary had net assets of £4 (2022: £4).



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

13 DEBTORS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade debtors	137,563	77,736	125,052	73,788
Amounts owed by group undertakings	-	-	35,685	38,981
Prepayments and accrued income	42,039	113,060	40,052	110,831
Other debtors	-	161	-	161
	<u>179,602</u>	<u>190,957</u>	<u>200,789</u>	<u>223,761</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade and other creditors	379,154	378,780	379,091	378,704
Deferred subscription income	434,891	426,823	434,891	426,823
Accruals and other deferred income	106,450	76,719	96,776	75,346
Tax and social security	28,936	14,885	22,690	13,839
	<u>949,431</u>	<u>897,207</u>	<u>933,448</u>	<u>894,712</u>

Included in trade and other creditors are insurance premiums of £341,035 (2022: £250,068) collected from members by Making Music as agent on behalf of the insurer. Also included are PRS contributions of £7,839 (2022: £3,653) collected from members to be remitted to PRS after the year end. Deferred subscription income includes membership payments received in advance of the membership period. Within accruals and other deferred income are deferred grant income balances, where the charity does not have entitlement to the income at the Balance Sheet date.

The movement on deferred membership subscriptions is as follows:

Group and charity	2023 £	2022 £
Balance at 1 January 2023	426,823	378,657
Released to income	(426,823)	(378,657)
Received in the year and deferred	434,891	426,823
Balance at 31 December 2023	<u>434,891</u>	<u>426,823</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

15 MOVEMENT ON FUNDS

CURRENT YEAR	<i>Brought forward</i> £	<i>Net movement</i> £	<i>Transfers</i> £	<i>Carried forward</i> £
Permanent endowment				
Philip and Dorothy Green endowment fund	325,275	9,925	-	335,200
Restricted funds				
Philip and Dorothy Green income fund	76,058	31,143	(56,052)	51,149
Adopt a Music Creator	24,000	(21,683)	22,682	24,999
P & D Green Young Artists fund	-	(18,299)	18,299	-
ACE Feasibility Project fund	-	7,919	-	7,919
Other restricted funds	8,894	(1,704)	1,850	9,040
	108,952	(2,624)	(13,221)	93,107
Unrestricted funds				
Designated funds	49,445	(8,694)	73,582	114,333
General fund	269,865	99,402	(60,361)	308,906
	319,310	90,708	13,221	423,239
Total funds	753,537	98,009	-	851,546
Current year net movement comprises:	Income £	Expenditure £	Gains/ (losses) £	Net movement £
Permanent endowment				
Philip and Dorothy Green endowment fund	-	(393)	10,318	9,925
Restricted funds				
Philip and Dorothy Green income fund	31,344	(201)	-	31,143
Adopt a Music Creator	25,000	(46,683)	-	(21,683)
P & D Green Young Artists fund	-	(18,299)	-	(18,299)
ACE Feasibility Project fund	22,500	(14,581)	-	7,919
Other restricted funds	6,244	(7,948)	-	(1,704)
	85,088	(87,712)	-	(2,624)
Unrestricted funds				
Designated funds	-	(8,694)	-	(8,694)
General fund	843,902	(744,500)	-	99,402
	843,902	(753,194)	-	90,708
Total funds	928,990	(841,299)	10,318	98,009



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

15 MOVEMENT ON FUNDS continued

PRIOR YEAR	<i>Brought forward</i> £	<i>Net movement</i> £	<i>Transfers</i> £	<i>Carried forward</i> £
Permanent endowment				
Philip and Dorothy Green endowment fund	329,264	(3,989)	-	325,275
Restricted funds				
Philip and Dorothy Green income fund	106,308	25,360	(55,610)	76,058
Adopt a Music Creator	-	(12,716)	36,716	24,000
P & D Green Young Artists fund	-	(18,894)	18,894	-
Make Music Day	16,851	(16,851)	-	-
Other restricted funds	8,808	86	-	8,894
	131,967	(23,015)	-	108,952
Unrestricted funds				
Designated funds	80,722	(26,277)	(5,000)	49,445
General fund	283,118	(18,253)	5,000	269,865
	363,840	(44,530)	-	319,310
Total funds	825,071	(71,534)	-	753,537
<i>Prior year net movement comprises:</i>	<i>Income</i> £	<i>Expenditure</i> £	<i>Gains/ (losses)</i> £	<i>Net movement</i> £
Permanent endowment				
Philip and Dorothy Green endowment fund	-	(295)	(3,694)	(3,989)
Restricted funds				
Philip and Dorothy Green income fund	25,560	(200)	-	25,360
Adopt a Music Creator	50,000	(62,716)	-	(12,716)
P & D Green Young Artists fund	-	(18,894)	-	(18,894)
Make Music Day	2,235	(19,086)	-	(16,851)
Other restricted funds	4,154	(4,068)	-	86
	81,949	(104,964)	-	(23,015)
Unrestricted funds				
Designated funds	-	(26,277)	-	(26,277)
General fund	620,830	(639,083)	-	(18,253)
	620,830	(665,360)	-	(44,530)
Total funds	702,779	(770,619)	(3,694)	(71,534)

15 MOVEMENT ON FUNDS continued

Philip and Dorothy Green endowment and restricted funds

This endowment enables us to provide grants, awards, prizes, donations or financial sponsorship to young musicians. Income is transferred to project funds including the P & D Green Young Artists fund which enables young musicians at the start of their career to gain vital concert and recital experience across the UK. The scheme also allows Making Music member groups to tap into some of the very best young musical talent to programme into their concert. Income from the endowment also part-funds the Adopt a Music Creator project, run annually by Making Music since 2000 and the Awards programme for composers and arrangers.

Adopt a Music Creator

This project enables us to pair a leisure-time ensemble with an emerging composer. It provides a unique opportunity for leisure-time musicians to work directly with a composer, be actively involved in the creative process and discover new music. The project is funded by the PRS for Music Foundation and the Philip and Dorothy Green fund. Separate funding for the project in Scotland is received from Creative Scotland.

ACE Feasibility Project Fund

This grant was awarded by Arts Council England to fund investigation into the feasibility of moving the location of the charity's office outside of London. This was awarded in conjunction with the charity's status of an ACE Investment Principles Support Organisation (IPSO) under the transfer programme.

Other restricted funds

These funds enable us to make a number of awards, bursaries, and prizes to individual musicians, groups, and organisations in both the voluntary and professional sector. Some of these, such as the Sir Charles Groves Prizes, recognise lifelong contributions to the musical life of the UK.

Designated funds

The designated funds represent the remaining development cost budget for the new website (£113,112) and artist subsidies (£1,222).

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	2023	2023	2023	2023
	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Endowment funds</i>	<i>Total funds</i>
CURRENT YEAR	£	£	£	£
Fixed assets	169,182	-	146,128	315,310
Net current assets	254,057	93,107	189,072	536,236
	<u>423,239</u>	<u>93,107</u>	<u>335,200</u>	<u>851,546</u>
	2022	2022	2022	2022
	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Endowment funds</i>	<i>Total funds</i>
PRIOR YEAR	£	£	£	£
Fixed assets	11,533	-	135,810	147,343
Net current assets	307,777	108,952	189,465	606,194
	<u>319,310</u>	<u>108,952</u>	<u>325,275</u>	<u>753,537</u>



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS continued

Charity	2023 Unrestricted funds £	2023 Restricted funds £	2023 Endowment funds £	2023 Total funds £
CURRENT YEAR				
Fixed assets	169,185	-	146,128	315,313
Net current assets	254,054	93,107	189,072	536,233
	<u>423,239</u>	<u>93,107</u>	<u>335,200</u>	<u>851,546</u>
	2022 Unrestricted funds £	2022 Restricted funds £	2022 Endowment funds £	2022 Total funds £
PRIOR YEAR				
Fixed assets	11,537	-	135,810	147,347
Net current assets	307,773	108,952	189,465	606,190
	<u>319,310</u>	<u>108,952</u>	<u>325,275</u>	<u>753,537</u>

17 FINANCIAL COMMITMENTS

At 31 December 2023 the charity was committed to future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Due within one year	38,887	38,887
Due in two to five years	17,346	95,120
	<u>56,233</u>	<u>134,007</u>

At 31 December 2023, the charity had commitments of £98,424 for the development of a new website and digital delivery portal due for delivery in 2024 (2022: £83,589) and an annual commitment of £23,850 for a monitoring and maintenance agreement until 31 August 2028 (2022: £Nil).

18 RELATED PARTY TRANSACTIONS

The key management personnel are considered to be the trustees, the Chief Executive, the Membership & Operations Director, the Finance Director, the Communications Director and from 1 August 2022, the Deputy CEO. This part-time role focuses on our advocacy and lobbying work, funded by an unrestricted three-year grant from the Esmee Fairbairn Foundation (EFF).

The total amount of employee benefits (including employer's national insurance and pension contributions) received by key management personnel during the year was £209,520, including a full year of the funded Deputy CEO role (2022: £183,242).

There were no Trustees' remuneration or other benefits during the current or prior period.

Trustees were reimbursed expenses of £2,349 (2022: £468), in respect of seven (2022: three) trustees for travel and subsistence costs. Ms Clare Birks is related to the owner of the property leased by the charity. The amount of the lease charge payable per annum is £36,996 (2022: £36,996). While serving as a trustee during the year, Ms Birks was excluded from any discussions on property-related matters and the rent was negotiated on an arm's length basis.