



Putting music at the heart of Bristol life

BRISTOL MUSIC TRUST

TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

Company Number: 07531978

Charity Number: 1140898

CONTENTS	Page
Chair's Report	1
Trustees' Annual Report	2
Independent Auditor's Report	21
Consolidated Statement of Financial Activities	24
Balance Sheet	25
Statement of Cash Flows	26
Accounting Policies	27
Notes to the Financial Statements	30

CHAIR'S REPORT

Our aim is to champion live music and music education across Bristol and the South West; working in partnership with city wide organisations, commissioning new works, supporting local musicians, and promoting music across all communities to build on the vibrant talent already in the city.

Our Creative Learning and Engagement (CLE) Programme goes from strength to strength working with 90% of Bristol schools, and over 40 partner organisations to reach over 30,000 young people locally. The work of the National Centre for Inclusive Excellence dedicated to the development of musical opportunities for disabled musicians got fully underway this year and is supporting young disabled musicians nationally to achieve their goal of a career in music. We also work in every Special School in Bristol to ensure open access to musical education opportunities.

Our £50m refurbishment programme is progressing well and internal demolition works began in October 2018. The re-construction project started in June 2019 following Bristol City Council's (BCC) appointment of the main contractors. The successful fundraising campaign for the project has achieved over 90% of target to date. Following the closure of the main hall and Lantern in June 2018, we have continued to programme over 200 concerts in some 30+ venues all around Bristol and the region. This has enabled us to maintain contact with audiences and stakeholders. We continue to operate with a reduced staff during the transformation period and will take the opportunity to carry out some business transformation projects to get ourselves ready for opening our state-of-the-art concert facilities. We also continue to hire out the modern foyer building to generate some level of commercial income during transformation. The Trustees previously agreed to use some of our reserves to support our continued operations during the transformation period. The planned deficit on unrestricted funds in 2018/19 of £100k is less than originally envisaged. This enables us to go into our second year of transformation in good shape.

We are immensely grateful for the support of Bristol City Council, Arts Council England, Heritage Lottery Fund, West of England Combined Authority, HM Treasury and of course the many individuals, organisations and trusts and foundations who have given so generously to support both our education work, music promotions and the capital campaign.

We have the most remarkable team at Bristol Music Trust led by Louise Mitchell. It is their dedication and hard work that has brought to reality a vision first put forward some eight years ago when the Trust was established. Without each and every member of the Trust none of this would be possible.

Simon Chapman
July 2019

The trustees present their report and the financial statements of Bristol Music Trust for the year ended 31 March 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Board of Trustees

The trustees of the charity (who are also the directors of the company) holding office during the financial year and as at 31 March 2019 are as follows:

<i>Trustees/Directors</i>	<i>Appointed/Reappointed</i>	<i>Resigned</i>
Henry Kenyon	16 February 2015	8 October 2018
Michelle Balfe	6 October 2014	8 October 2018
Martino Burgess	6 October 2014	8 October 2018
Simon Chapman (Chair)	8 October 2018 (<i>reappointment</i>)	
Paul Fordham	16 February 2015	8 October 2018
Sonia Mills	23 October 2017	
Andrew Nisbet	4 March 2017	
Marie Nixon	16 February 2015	8 October 2018
Sir Brian McMaster	4 March 2017	11 February 2019
Estella Tincknell*	27 June 2016	
James Wetz	14 November 2015	
Patricia Barker	8 October 2018	
Craig Gentle	8 October 2018	
Tanya Lacey	8 October 2018	
Anthony Cherry	8 October 2018	
Sandra Meadows	8 October 2018	
Louise Mitchell	8 October 2018	

*Nominated trustee (Executive Member for Culture) appointed by Bristol City Council.

Executive Team

The executive team are responsible for the day-to-day management of the charity:

Louise Mitchell (Chief Executive)
 Phil Castang (Director of Creative Learning and Engagement)
 Rosa Corbishley (Director of Development)
 Nick Craney (General Manager)
 Clare Jack (Chief Operating Officer)
 Sarah Robertson (Communications & Special Projects Director)
 Christine Swain (Head of Customer Service)
 Todd Wills (Artistic Director)

Audit, Risk & Resources Committee

Anthony Cherry (Chair)

Simon Chapman

Sonia Mills

Craig Gentle

Bristol Plays Music Committee

James Wetz (Chair)

Michelle Balfe

Louise Jennings

Deshni Pyndiah

Colston Hall Capital Fundraising Group

Sonia Mills (Chair)

Rosalind Kennedy

Andrew Nisbet

Sonia Mills (Chair)

Colston Hall Phase 2 Development Project – Strategic Advisory Group

Charles Wilson (Chair)

Sonia Mills

Simon Chapman

Louise Mitchell

Principal address and registered office: Colston Hall
Colston Street
Bristol
BS1 5AR

Registered charity number: 1140898

Company registration number: 07531978

The trustees have made the following professional appointments:

Auditor: RSM UK Audit LLP
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

Bankers: NatWest
Bristol City Office
PO Box 3232
32 Corn Street
Bristol, BS1 1HQ

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status & History

Bristol Music Trust was established to operate Colston Hall in Bristol, to promote music and the arts, and to advance education and appreciation of music and the arts, for the benefit of the people of Bristol and the South West of England. The company was incorporated on 16 February 2011 and commenced its operations on 1 May 2011.

Bristol Music Trust is a charity registered in England & Wales (no. 1140898), and a non-profit-making company limited by guarantee registered in England & Wales (no. 07531978). A trading subsidiary BMT Enterprises Ltd was incorporated on 23 March 2011 as a company limited by shares (wholly owned by Bristol Music Trust) to manage associated commercial activities (and any activities that are “non-primary purpose trading”) for the benefit of the charity, and also commenced its operations on 1 May 2011. A cost sharing agreement is in place to ensure that the trading subsidiary pays Bristol Music Trust for its use of Colston Hall and other services. All profits of BMT Enterprises Ltd are gift-aided to Bristol Music Trust.

Bristol Music Trust has developed a distinctive and vibrant programme of music and events at Colston Hall, and creatively supports young people in Bristol and the South West in music making and music learning through its Creative Learning and Engagement team branded as, Bristol Plays Music. When Bristol City Council's (BCC) Cabinet made the decision to establish Bristol Music Trust as an independent body responsible for managing the Hall in 2011, BCC leased the Colston Hall to Bristol Music Trust for a twenty-five year period at a peppercorn rent. The old lease will be replaced with a new 30 year lease from completion of the re-development. BCC financially support the work of Bristol Music Trust to deliver its charitable objectives and entrusted services as defined in a Service Level Agreement. In addition, since April 2015, Bristol Music Trust has benefited from Arts Council England investment as a National Portfolio Organisation (in consortium with St George's Bristol) to support the artistic programme and audience development objectives.

Bristol Plays Music was launched in March 2013 as a strategic partnership between Bristol Music Trust and BCC to become the Arts Council England's music education hub for the City of Bristol. On 1 September 2013, the Bristol Arts and Music Service (BAMS) was formally transferred from BCC to become an integral part of Bristol Music Trust under the Bristol Plays Music umbrella, with the aim of delivering an exciting and coherent music educational programme that spans both formal and non-formal music education across the City. Bristol Plays Music is based both at Colston Hall and at the Bristol Plays Music Centre in Southmead, which is leased to Bristol Music Trust from BCC for a four year period at a peppercorn rent (to March 2019 and currently being renewed). The vision of Bristol Plays Music is to work with strategic hub partners to make Bristol the UK Capital of Young People's Music and ensure that every young person has access to music learning activities and a platform for musical expression and participation.

Colston Hall is at the beating heart of culture and music in Bristol. The building has been part of the Bristol skyline for 150 years and home to iconic performances by some of the world's leading artists, including The Beatles, Ella Fitzgerald, Bob Dylan, David Bowie and Yehudi Menuhin, leaving lasting memories that live on in people's minds. The first Colston Hall opened to the public on 20 September 1867 but the main auditorium was destroyed by fire in 1898. A second reconfigured Colston Hall opened on the site in 1901 and was bought from the Colston Hall Company in 1919 by Bristol Corporation for £65,000, and the building has been the property of Bristol City

Council ever since. In 1935 the hall was closed for remodelling with a third Colston Hall opening in December 1936, but a further fire in 1945 robbed Bristol of its concert hall once more. The fourth incarnation of Colston Hall, which exists today, was opened in 1951 to mark the Festival of Britain. Funding constraints have meant that limited investment has been made in the building since then.

By around 2005, it was clear to BCC that the halls needed substantial investment if they were to be viable as a 21st century concert and events hall. A project was therefore initiated to create a new foyer building and to refurbish the historic building. It was recognised that this project would require significant funding investment and so the decision was made to split the project into two phases. In 2007-2009, Phase 1 of this project was created by BCC investing £13m alongside £7m from Arts Council England, building a modern foyer containing restaurants, bars and administrative offices as an extension to the halls. This was designed by architects Levitt Bernstein and built by main contractors, Wilmott Dixon and opened to great acclaim in 2009. It was always recognised that there was a need for Phase 2 to completely refurbish the old building. In 2015-16 BCC and BMT invested in an extensive, joint investigation and feasibility study which resulted in four redevelopment options being presented by Levitt Bernstein. The partnership was formalised in June 2016 when it was agreed that the project would be managed by BCC Major Projects Team under the supervision of a Project Board with representation from BMT and major funders. BMT would take the lead on fundraising to assemble the £52.2m funding package to deliver it.

Colston Hall Redevelopment Phase 2

The project to transform Colston Hall into a new and inspiring centre where all genres of music can flourish started with the closure of the auditoria in June 2018 and the commencement of works in October 2018. The Halls will be re-opened for the autumn season 2021. The capital campaign aims both to transform the Victorian building into an international-standard concert hall as well as to create a centre for music education and enterprise, and enable Bristol to truly become the UK Capital for Young People's Music. Colston Hall will be a completely accessible major music venue for artists and audience alike. In 2017 BMT set up the first National Centre for Inclusive Excellence offering a comprehensive music education for musicians with special educational needs and disability (SEND) and supporting a life-long relationship with music. We want to deliver new experiences and creative learning to ever wider-ranging audiences, ensuring our entertainment and education work is innovative, inspiring and inclusive.

The transformation of Colston Hall is one of the most significant projects of its kind in the UK, and the biggest ever arts redevelopment in Bristol. The transformation will enable us to remodel and upgrade the existing venue, making it one of the most comprehensive and attractive facilities in the country. The transformation will include:

- Remodelling the existing main auditorium, with major changes to the stage and equipping it with international standards of acoustics, comfort and flexibility.
- Redeveloping the second hall, known as The Lantern, into an elegant and versatile performance venue and space for large workshops, rehearsals and commercial events.
- The introduction of flexible seating technology to enable the venue to be used for a range of purposes, from arts performances to festivals, corporate events and graduations.
- Opening up the historic cellars for the first time in 100 years to create a third hall.
- Creating in the cellars, a music education centre comprising three large, sound-proofed studios, a self-contained suite of four spaces for music education and practice rooms, two creative cubicles and a recording studio.

- Creating a social area and library for less formal presentations or gatherings.
- Restoring the historic core of the building and the Colston Street frontage to its Victorian magnificence.

It is a key strategic aim for the City to harness our cultural, historic, and artistic assets to bring social and economic benefit to the region and to underpin its reputation for creativity, live musical performance, and technological and business innovation. A thriving and dynamic concert hall and music centre is essential to ensure the future success not just of the music industry in the region but also has a fundamental part to play in the success of the creative industry as a whole. Colston Hall activity, together with our wide-reaching education work, makes Bristol Music Trust a very significant contributor to the regional economy, sense of place, and attractiveness as a visitor destination and place to live and invest. Our show audiences come from across the region (65% Bristol, 25% the South-West, 10% other UK destinations) and we directly generate nearly £10 million turnover each year. We recently commissioned KPMG to produce an independent study of the full economic impact of Colston Hall which estimated that the Gross Value Added (GVA) contribution of Colston Hall to the UK economy would grow in real terms from £17.4 million per annum in 2015/16 to £20.6 million per annum post transformation in 2020/21, delivering a present value GVA contribution over 20 years of £263.3 million to the regional economy and £412.5 million nationally.

Organisational Structure

The non-executive Board of Trustees (directors of the charity) has responsibility for the governance and administration of the charity. The Board meets five times a year and should be composed of no fewer than five trustees and no more than twelve trustees (or such other maximum number determined by the Board). The Articles of Association (dated 15 February 2011) provide for there to be up to two trustees appointed by Bristol City Council out of a maximum of twelve, subject to the number of Council appointed trustees always being below 20% of the Board, in order to ensure its independence as an organisation. The Chief Executive, Chief Operating Officer, Communications & Special Projects Director and Director of Creative Learning and Engagement are invited to attend Board meetings, and there will be a quorum comprising a minimum of three (excluding Council nominated trustees) trustee members.

The Audit, Risk and Resources Committee is a sub-committee of the Board with responsibility for assisting the Board to discharge its duties in the following areas: financial and operational performance and procedures; audit and controls oversight; risk management and compliance; property transactions; annual plans and budgets; investments; and management of reserves. The membership of the Audit, Risk and Resources Committee comprises a minimum of three trustee members, appointed by the Board of Trustees. The Committee includes the Chair of the Board and the Honorary Treasurer, and the Board appoints the Committee Chair. The Chief Executive, Chief Operating Officer and Finance Controller attend the Committee and a quorum comprises a minimum of two trustee members. The Committee normally meets three times a year.

The Bristol Plays Music Committee is a sub-committee of the Board with responsibility for oversight of Bristol Plays Music, the educational arm of the organisation. Matters of responsibility include: the recommendation of education policy and delivery to the Board for approval; the recommendation of the Bristol Plays Music business plan to the Board for approval; monitoring and evaluation against key performance indicators and the music education hub core and extension roles; and monitoring of financial performance. The membership of the Bristol Plays Music Committee comprises a minimum of three trustee members (including the Chair of the Bristol Plays Music Committee), appointed by the Board, and independent experts may be invited by the Chair of the Bristol

Plays Music Committee with the approval of the Board. The Chief Executive and Director of Creative Learning & Engagement are invited to attend the Committee and a quorum comprises a minimum of two trustee members. The Committee normally meets four times a year.

The Colston Hall Capital Fundraising Group is a sub-committee of the Board with responsibility for steering the overall capital fundraising for the Colston Hall transformation project including: canvassing of political support (national and local government); applying for funds from Arts Council England, trusts and charitable bodies; corporates and corporate finance options; and private sector, individuals, digital and public fundraising. The members of the Committee, including a minimum of two trustee members shall be appointed and approved by the Board annually and shall be eligible for reappointment. The Chair of the Committee is appointed by the Board and the Committee may appoint other members with appropriate expertise who are not trustees. The Chief Executive, Head of Development, and Chief Operating Officer are invited to attend the Committee and a quorum comprises a minimum of three members of which one must be a trustee of the Board. The Committee will normally meet four times a year.

The Colston Hall Redevelopment Phase 2 Project is jointly led by Bristol Music Trust and Bristol City Council and the project is managed by the Bristol City Council Major Projects Team with Service Director, Development and Regeneration, Colin Molton as Senior Reporting Officer. The Chief Executive represents Bristol Music Trust on the full Bristol City Council Project Board, with the support of an expert client representative, reporting to the BMT Board of Trustees. As part of the project governance structure a client Strategic Advisory Group has been established as an expert advisory committee to the Trust, with representatives from architects Levitt Bernstein and major stakeholders Bristol City Council and Arts Council England. The group reviews project plans and status and advises the Trust on design development, construction, and fit-out of the transformation project in order to meet agreed client facility requirements. The group is chaired by the Chair of the Board of Trustees and the Chief Executive and Chief Operating Officer are invited to attend. The Committee will normally meet monthly prior to the meeting of the Project Board.

Responsibility for implementation of the Trust's strategy, and the organisation's day to day management is delegated by the Board to the Chief Executive and the executive senior management team. The Board selects and appoints the Chief Executive and may have involvement in the appointment of other key members of the senior management team.

The trustees are confident that the governance and management structures that have been established are appropriate to the needs of the organisation.

Method of Recruitment, Appointment, Election, Induction & Training of Trustees

Recruitment, Appointment & Election

Each trustee is asked to sign a Trustee's Undertaking upon appointment, confirming their willingness to accept the appointment, their understanding of the associated duties and responsibilities, and their willingness to become a member of the charity. The term of office for a trustee is four years and he or she is eligible for re-election by the Board for one further term of four years. The trustees serve as volunteers and receive no payment for their work for the charity.

Induction & Training

All of the trustees are mindful of their duty to act solely in the interests of Bristol Music Trust and those trustees who are members/officers of Bristol City Council understand their duty (under company law and charity law) to avoid conflicts of interest. The organisation's articles contain detailed provisions for declaring any interest a trustee has and managing any conflicts arising from such interests. All of the trustees are informed of their responsibilities and duties, and are provided with appropriate guidance (including the Bristol Music Trust Handbook for charity trustees) and information to carry these out effectively.

Pay Policy for Key Management Personnel

As directors of Bristol Music Trust, the Board of Trustees consider the trustees and the executive senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All trustees give of their time freely, and no trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in notes 9 and 23 to the accounts respectively.

The pay of the senior management team is reviewed annually and is normally increased in accordance with average earnings. In view of the nature of the charity, the trustees benchmark against pay levels and specialisms in other comparable arts and charitable organisations of a similar size.

Approach to Fundraising

Our approach to fundraising is to raise funds towards our running costs and capital appeal from private sources including from individuals through voluntary donations. We identify potential individual donors in particular through ticket sales information and through individuals signing up to our regular weekly email update. We also seek funds from major local philanthropists via direct approaches often via our trustees or other contacts. We obtain grants from trusts and foundations via written applications and corporate sponsorship through providing marketing benefits and outlining corporate social responsibility opportunities. During the year we ran a campaign aimed at the general public for our capital project, principally directed at selling seats in the new auditorium.

All our fundraising activity conforms to the standards laid down by the Institute of Fundraising and the Fundraising Regulator, to which we are a signed up member.

We adhere to the regulator's fundraising promise:

1. We will commit to high standards; 2. We will be clear, honest and open; 3. We will be respectful; 4. We will be fair and reasonable; 5. We will be accountable and responsible.

We have a professional team of fundraisers on our staff and their activity is monitored by the Chief Executive and Chief Operating Officer. During the year we have not received any complaints about our fundraising activity. We do not use intrusive or persistent fundraising approaches.

Risk & Corporate Governance Matters

The trustees regularly monitor progress against the strategic objectives set out in the agreed business plan. The Audit, Risk and Resources Committee has responsibility to the Board for reviewing in more detail the risks to which the charity is exposed and the corresponding mitigations, and for ensuring an effective risk management strategy is in place. A document setting out the risks, consequences, countermeasures and contingencies has been prepared by the executive team and is reviewed on a regular basis.

Principal risks and uncertainties identified for the organisation are as follows:

Risk	Mitigation
Failure to deliver Capital Transformation Project to time or within £52.2m budget	<ul style="list-style-type: none"> • Sound project governance structure involving Bristol Music Trust (BMT) and Bristol City Council (BCC) • Experienced advisors and contractors • Regular review of value management options • Development plans within budget and project timetable currently on track • Legal agreement between BCC and contractor to mitigate the risk to BMT
Increased pressure on funds during the Transformation Period with reduced capacity for earned income and potential for higher than budgeted costs	<ul style="list-style-type: none"> • Financial and business modelling completed for the Transformation Period with increased focus on commercial events and income generation through the Foyer • Organisational structure planned and implemented with savings identified • Reduced programme throughout the period with reduced costs and careful management to increase the focus on income generating shows
Insufficient reserves to support the business throughout the Transformation Period and after re-opening	<ul style="list-style-type: none"> • Appropriate governance and performance monitoring in place with a solid financial management record • Reserves policy set by the Board • Operational deficit necessary to support fundraising costs and closure plans with a planned draw down on designated funds approved by the Board • Long term financial planning in place to ensure sufficient funds can be generated to replace reserves drawn on during the Transformation Period and to support the ongoing needs of the business

AIMS AND ACTIVITIES

Charitable Aims

Launched in May 2011 the Bristol Music Trust is an independent charity with two distinct aims:

The first is to manage the operations of Colston Hall, Bristol's largest concert venue, where people have been enjoying music since 1867; developing a diverse musical programme, leading a major capital refurbishment programme, and securing its commercial success. The Hall presents a wonderful opportunity to build a diverse concert hall and music centre; comprising a traditional concert hall, a smaller intimate hall, and an inspiring modern foyer.

The second aim is to drive forward music across Bristol and the South West of England; working in partnership with city wide organisations, leading on musical education under the banner of Bristol Plays Music, commissioning new works, supporting local musicians, and promoting music across all communities to build on the vibrant talent already in the City. Much more, we want the Bristol music scene to stand out with its own unique culture and internationally renowned reputation.

Bristol Music Trust's vision is to put music at the heart of Bristol life, and to lead a strategic, holistic, citywide approach to promoting music so that it flourishes through performance, composition, participation and education.

Charitable Activities

Bristol Music Trust manages the operations of Colston Hall to provide artistic and educational benefits to the people of Bristol and the South West of England. Colston Hall hosts an impressive and varied programme of performances, events and educational courses and facilities. The Trust's aim is to deliver an extensive and high quality programme of creative performances across a range of musical genres. With a wide ranging programme, the Trust will attract all age groups and reach out to the many diverse cultures of Bristol.

Under the umbrella of Bristol Plays Music, the Arts Council England's music education hub for the City of Bristol, Bristol Music Trust aims to work with its strategic partners to deliver a coherent musical educational programme spanning formal and non-formal music education across the City, and ensure that every young person has access to high quality music learning opportunities and a platform for musical expression. Bristol Plays Music is leading music education in Bristol, providing expertise and support to schools, community and cultural organisations; and also serving Bristol, delivering the National Plan for Music Education to schools and their communities.

During the closure period, Bristol Music Trust will continue to work with a variety of partner organisations including performance partners such as Bournemouth Symphony Orchestra and the British Paraorchestra; education and delivery partners such as Open Up Music and Conductive Music; and other Bristol partners and venues such as St George's Bristol. The Trust will continue to work with a range of partners and to look to expand its partnership arrangements locally and nationally.

While the Trust's initial focus will be on operating Colston Hall and the provision of music education services, it is possible that in future it may develop to become a strategic trust with a wider remit of arts and cultural

provision in Bristol, working in partnership with other arts partners. The Trust's charitable objects are therefore sufficiently wide to cover the arts in general, and this enables the organisation to advance any other charitable purposes selected by the trustees. This gives the Trust maximum flexibility to develop its activities over time and include activities such as heritage conservation as the historic Lantern hall is redeveloped.

Public Benefit & Pricing Policy

The trustees have taken The Charity Commission's specific guidance on public benefit into consideration in preparing their statements on public benefit contained within this Trustees' Annual Report. The objects of Bristol Music Trust are aimed at the general public in Bristol and the South West, which reflects the focus of Colston Hall and Bristol Plays Music on benefiting the community in Bristol and the surrounding area.

Charges are currently made to the public to attend performances and the intention is that this will continue. Charges will be in line with those charged by other charitable arts organisations and will be set at a level which takes into account the ability of the public to pay for tickets. Similarly, charges will continue to be made for some of the educational provision, and these are set at an affordable and benchmarked level. Bristol Music Trust's pricing policy aims to optimise the volume of sales and maximise income while maintaining a range of prices to encourage diverse and more frequent attendances from target groups.

Our headline pricing strategies are:

- Encouraging customers to attend less popular events through motivating price differences and special deals.
- Rewarding frequent customers and stimulating loyalty through members' incentives and multi-buy deals where appropriate.
- Encouraging early booking with early bird deals and by avoiding last minute discounting.
- Promoting accessibility by including lower price tickets and providing concessions for target groups such as young people where possible.
- Encouraging group bookings through group deals.
- Promoting price differentiation in the auditorium through clear and strategic incremental price breaks.

These strategies are varied and adapted for different genres within the Hall's programme. Applicable pricing is dependent on the individual show, but generally we operate concessions for our International Classical Season targeted at young people, including schemes for under 18s (£1 tickets) and under 25s (£8.50 tickets). 8-25 year olds are offered free tickets for selected chamber concerts through our Cavatina scheme.

In addition, a number of performances and events are free for the public, including regular foyer performances and talks. Many of the educational workshops run by Bristol Plays Music are also free to young people. This ensures that people on lower incomes are not excluded from being able to benefit from the charity's activities. Anyone who requires assistance to attend an event at Colston Hall is invited to bring a personal assistant or companion who will be admitted free of charge.

Relationships with Related Parties

Bristol City Council has leased the Colston Hall (and associated assets) to Bristol Music Trust for a twenty-five year period at a peppercorn rent. All associated activities (the operation of Colston Hall and related music education activities) transferred to Bristol Music Trust under the terms of a Transfer Agreement, with entrusted

services to be discharged by Bristol Music Trust defined under the terms of an Entrustment Agreement. Compensation is payable by Bristol City Council for the provision of the entrusted services under the terms of a Service Level Agreement, with funding agreed in advance for a multi-year funding period to deliver the entrusted services against measurable outcomes. Under the terms of the lease, Bristol City Council retains responsibility for structural maintenance of the whole Colston Hall site and related service contracts for the old building, whilst Bristol Music Trust has responsibility for day to day maintenance of the new foyer and all other operational matters. Following redevelopment, a new lease of 30 years will be granted to BMT for the whole building including the foyer and this will be on a fully repairing and insuring basis.

Bristol Music Trust enjoys a close relationship with Bristol City Council and compensation has been agreed at £1,026,000 per annum for 2019/20, 2020/21 and 2021/22. From 2022/23 this will be reduced to £526k for 2 years to 2023/24 and will then reduce further to match Arts Council England levels of investment.

Bristol Music Trust owns 100% ordinary share capital in the subsidiary company BMT Enterprises Ltd. BMT Enterprises Ltd manages its commercial activities (including catering, hire of conferencing facilities and meeting-rooms at Colston Hall, and the provision of box office services to other arts organisations) for the benefit of the charity, and all profits will be gift-aided to Bristol Music Trust on an annual basis. A cost sharing agreement is in place to ensure that BMT Enterprises Ltd pays Bristol Music Trust for its use of Colston Hall and other services.

ACHIEVEMENTS AND PERFORMANCE

Bristol Music Trust has now been trading for eight years and is a well-established, artistically curious and financially well-managed organisation, with a national reputation for excellence and innovation, central to the cultural landscape of Bristol and the South West. During 2018/19 we maintained a wide range of artistic and commercial partnerships in the City and continued to deliver an original and inspiring musical programme in over 30 venues across the region including weekend festivals and special one-off events, presenting more fantastic shows to an ever growing and diverse audience. We also manage a music education hub (with responsibility for delivering the National Music Education Plan to every child in the Bristol area), Bristol Plays Music.

Bristol Music Trust uses a range of key performance indicators compared year on year to report on performance to stakeholders and funders and to report to management and trustees as a management tool to inform decision making.

Aims	Key Performance Indicator
Artistic Excellence	<ul style="list-style-type: none"> • Number of performances • Number of Festivals • Number of tickets sold • Gross ticket income • Average ticket yield • Audience numbers
Education and Engagement	<ul style="list-style-type: none"> • Number and % of Bristol schools worked with • Number of children involved in education weekly/ annually • Number of partnerships • Number of hours tuition provided weekly/ annually • Number of hard to reach CYP • Number on SEND programmes
Creative Commercial Approach	<ul style="list-style-type: none"> • Number of conferencing events and space usage

	<ul style="list-style-type: none"> • Conferencing income generated and gross profit margin • Retail income generated and gross profit margin
People and Partnership	<ul style="list-style-type: none"> • Staff turnover • Training spend • Sick days • Staff diversity
Inclusivity	<ul style="list-style-type: none"> • Number of artists with SEND • Number of partners working in SEND • % venue accessible • % audience diverse
Financial Resilience	<ul style="list-style-type: none"> • Free reserves in number of months of salary costs • Profitability margins for earned income • Occupancy rates for Halls • Debtor days • Bad debts as a % of sales • Diverse income model

Although the two main performance spaces in the Colston Hall were shut during the year, the Trust still managed to present 200 performances in 30 venues across Bristol and the region in our 'Colston Hall Presents' programme. This generated just over £1m in gross ticket sales from our own promotions and co-promotions.

The programme was, as always, an eclectic mix of genres including classical, electronic, rock and pop, folk, jazz, underground, World and everything in between. We continued to programme in the main hall, Lantern and foyer spaces between April and June 2018 with bands including Josienne Clark and Ben Walker, Let's Eat Grandma, The White Buffalo, Joan Baez, The Dead South, Ezra Furman, Mexrissey, Jon Boden, Red Baraat alongside larger scale projects such as the screenings of Jaws and Raiders of the Lost Ark both with live orchestras. The last concert to take place before closure was with the Wurth Philharmonic and Maxim Vengerov but the final activity was a film and audio installation we commissioned by Limbic Cinema that explored the rich cultural history of Colston Hall that ran throughout the day on 10th June after which we closed the hall for refurbishment.

Further programme highlights during closure include in 18/19 include Tony Allen and Amp Fiddler, Jurassic Park with live Orchestra, Jose Gonzalez and String Theory, Olafur Arnalds, Hypnotic Brass Ensemble, Skinny Pelembe, Baloji, Tunng, Jerron 'Blind Boy' Paxton, Fatoumata Diawara, Julia Holter, Alela Diane, Marie Davidson, Tank & The Bangas, Colter Wall, and Swindle. We also programmed Jimmy Cliff, Grandmaster Flash and the Trojan Sound system at the 5,000 capacity Lloyd's Amphitheatre and opened Bristol City Council's flagship Fair Saturday event in November with the Paraorchestra performing their interpretation of Kraftwerk's music at Motion.

Over the last year, Colston Hall also hosted / was involved in six festivals:

- River Town (July 2018) - this was the fourth iteration of our Americana weekend and featured performances Roseanne Cash, Graham Nash, Sam Palladio, Steve Earle, Jade Bird, Barr Brothers, John Moreland and many more.
- Filmic – in partnership with St George's and Watershed exploring the relationship between film and music. In 2018 the theme was the 'Sound of Suspense' and included a screening of Jaws with a live orchestra and in 2019 we had live performances from Jocelyn Pook who's worked with Stanley Kubrick as well as a night focussing on the scores of Thom Yorke and Johnny Greenwood from Radiohead.
- Bristol New Music (April 2018) – our biannual contemporary festival in partnership with St George's, Bristol University, Spike Island and Arnolfini included artists such as A Hawk and A Hacksaw, Moritz von Oswald, Rashad Becker, Evan Parker, European research group AUDINT, Kaitlyn Auralia Smith and an especially

commissioned project with the British Paraorchestra, The Army of Generals and Charles Hazlewood performing Steve Reich's *The Four Sections* throughout the foyer building.

- Hoo Ha Festival (August 2018) - Our summer children's festival has become a firm fixture in the Summer holiday calendar offering parents the opportunity to bring their children to the hall and enjoy three days of events that are mostly free. Highlights in 2018 included Disney Rascal, Lilliput Concerts go to the Opera, It's Time to Play with CBeebies' Sid and Rebecca and the ever popular Junior Jungle Rave.
- Simple Things (October 2018) – we once again partnered with Simple Things Festival acting as the daytime hub for activity in the Foyer. Headliners included Slowdive, James Holden, and Rival Consoles
- Bristol International Jazz & Blues Festival (March 2019) – This year's festival was off-site due to the closure of the hall we curated a day of up and coming as well as more established acts on a free-stage in the foyer.

We have managed to develop new audiences as well as serving our existing audience and have seen a younger audience being attracted to the Colston Hall Presents programme which has been continued during closure.

Creative Learning and Engagement

BMT believes that the children and communities who are in greatest need, need the greatest support. Over the last 12 months the Trust's Creative Learning and Engagement work has been refocused towards developing a comprehensive creative learning and engagement programme that is fit for a transformed hall with a vision that reflects a deeper sense of responsibility for engaging communities across greater Bristol. CLE will continue to work in close partnership with the Programme team to further integrate creative learning and engagement events into the artistic output of the Hall and maximise the opportunities made possible through a world-class live music programme. Four key branches of work will be at the heart of the CLE vision and a new strategic partnership with Barbican Centre and Sage Gateshead will help amplify the reach of this work giving it prominence at a national level.

With ten national award nominations in three years, winning in several categories including the Major Prize for best music education hub, our work is now gaining national recognition. Championed as "bold, cohesive.... impressive across many areas" (MEC 2017), there is a well-established confidence among partners and stakeholders in the quality and reach of our work.

The four key strands of creative learning and engagement are:

NATIONAL CENTRE FOR INCLUSIVE EXCELLENCE

Meeting CLE's strategic priority 'Inclusive Excellence and Diversity', NCIE is a national programme funded by Youth Music and set up to explore the civic role of music and the arts and their impact on individuals, communities and society. NCIE works through a national partnership of music industry, higher education, local and national government, and other institutions across the arts and cultural sector. It draws upon the expertise of its partners to commission research, challenge existing practice, highlight examples of best practice, and, where necessary, develop new and innovative ways of working across a range of areas, including health, technology, inclusion, and artist development. The programme focuses on enabling talented, young musicians to overcome disabling barriers to their musical progression and develop the artistic and professional skills they need to enter the music industry or higher education.

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COMMUNITY

During the transformation closure period CLE will be meeting community organisations, amateur music groups, early years' providers and healthcare agencies to explore how their interests can be best represented through this socially inclusive programme. Other areas of the programme include a developing volunteering and work placement programme, the dance Stages programme involving over 40 dance schools across Bristol and the heritage work on the history of the Colston Hall.

ARTIST DEVELOPMENT

'Artist Development' aims to 'develop the music professionals of the future', providing industry experience across a range of professions and showcasing and promoting the quality of Bristol's music scene. Established programmes like Multi-Track will now populate the Artist Development strand. We hold industry events for 16yrs + alongside a series of creative masterclasses. Artist Development will also benefit from close relationships with FE and HE providers. Funding from PRSF means the Artist Development programme is part of the national 'Talent Development Partner Network'. In addition, funding from Help Musicians UK, enables BMT to support talented young performers from Bristol to develop their craft and get a foothold in the industry.

MUSIC EDUCATION HUB – Bristol Plays Music

Bristol Plays Music provides whole class ensemble tuition (WCET) and instrumental tuition to over 5,300 children each week, with activities such as choirs and ensembles increasing our weekly reach to approximately 10,000 children. Currently we teach 647 hours of charged, subsidised and free music tuition each week across 90% of schools in Bristol. During 2018 BPM also ran several special educational projects like 'Conductive Music'. Sponsored by Renishaw, the project reached 734 key stage 3-4 students in 12 schools combining science, engineering, coding and music and hopes to boost pupils' engagement with STEAM subjects through a cross-curricular approach.

The year also saw Colston Hall's 'Young Companies in Residence' programme, consisting of the Bristol Youth Orchestra and the Bristol Youth Choir, continue to go from strength to strength. Orchestral highlights included sold out performances at St Georges and the Victoria Rooms.

Organisational

The Trust has a proven track record of effectively managing the charity's resources, utilising a commercial, value for money approach within an appropriate and robust governance framework to deliver exceptional artistic and educational outcomes for our audiences and young people. An experienced executive team and skilled workforce

have brought creativity, passion and commitment to the work of the organisation, and we have consistently met our strategic objectives increasing both the range and reach of our activities.

We have continued to develop our commercial operations to support the charitable work of the Trust during the first year of closure. The commercial conferencing business is developing well although there are much more limited opportunities for growth during closure.

Colston Hall is recognised for achieving excellence in our customer service and providing a first class experience for all our visitors is at the heart of our brand. We continue to work closely with the charity Attitude is Everything to review and improve our accessibility offer and, despite the restrictions of the old Colston Hall building, have achieved a silver accreditation for their Charter of Practice.

Partnership working continues to be key to both our artistic and commercial success and underpins our contribution to Bristol's musical, cultural and economic life. We enjoy partnerships with some of the South West's most successful businesses and have continued to build on strong public and corporate support for our music and educational activity.

In addition to the support we have received from Bristol City Council, we have raised over £1.4 million total voluntary funds for our music and education programs. In 2017, KPMG calculated that the economic impact generated by the Colston Hall in terms of Gross Value Added (GVA) – a measure of the economic value of goods and services generated as a result of Colston Hall's activities – and employment (in full-time equivalent (FTE) terms), in 2015/16 was £17.4m. Of this £11.8m is generated within Bristol itself.

Colston Hall Redevelopment Phase 2

The trustees and staff of BMT are passionately committed to delivering the Colston Hall transformation project to give the region the outstanding concert hall it deserves, working tirelessly to move the project forward. The building redevelopment project began in autumn 2018, and good progress has been made throughout the year.

There is a high degree of cross-party and cultural partnership support for this key South West project. Our capital campaign has now raised over £47million of the £52.2 million target, including £10 million committed from Bristol City Council, £5.18 million from HM Treasury, £10million from the Arts Council England and £4.75 million from the Heritage Lottery Fund, £8.4 million from WECA plus a number of generous individual donations from £25,000 to £500,000.

A transformed Colston Hall is fundamental to the artistic and business success of Bristol Music Trust and the ability to continue to deliver on its charitable objectives, with a substantial positive ongoing effect on the organisation's financial performance and resilience. A 5 year Business Plan has now been adopted by the Board to cover the closure period and first 18months of re-opening.

The organisation has a proven track record of both inspirational music programming and sound financial management, and the business plan, though clearly artistically and culturally aspirational, is rooted in the achievable and supported by the sound commercial considerations built into the building development plans.

The building design has evolved alongside our business planning process and the requirements of our commercial model are fully integrated into the design. We are therefore confident that the improved performance

anticipated as a result of the transformation is sustainable for the long term and enables the organisation to build its financial resilience through both its charitable and trading activities.

Our modelling demonstrates that a significant and sustainable increase in audiences, income generation, and business resilience will result from the building transformation. Key improvements include:

- Increased capacity and improved customer experience deliver higher audiences and ticket income.
- Higher quality and flexibility of the spaces supports a diverse and innovative world-class programme generating more concert and commercial business.
- State of the art music production and rehearsal facilities for hire as well as internal use.
- Improved technical facilities enable a faster turnaround allowing the building to work harder.
- New areas of commercial income e.g. graduation ceremonies on accessible main stage.
- Sought after conferencing facilities including more multi-purpose, breakout spaces.
- Improved and dedicated bar facilities support greater customer spend.
- Attractive and profitable public catering facilities including in the historic colonnade.
- New operational systems will be more efficient and less labour intensive.
- A confident successful organisation will attract sponsors and funders.

FINANCIAL REVIEW

Financial Results

Bristol Music Trust's eighth year of activity from 1 April 2018 to 31 March 2019 has resulted in a planned overall net decrease in unrestricted funds of £100,711 on total income of £7,205,110 (2017/18 £9,964,759). The operational deficit of £100,711 is better than the planned deficit of £150,000 mainly due to increased commercial revenue, the release of accruals for a VAT determination in 2017/18 and better than expected overhead cost reductions. With unrestricted funds of £712,355 brought forward from 2017/18 this gives £611,644 in unrestricted funds to be carried forward into the second year of closure 2019/20.

There has been a net increase in restricted funds over the year of £568,981 due to the timing of grant activity, and donations made to the Colston Hall building project. Total fund balances of £1,656,901 (2017/18 £1,188,632) will therefore be carried forward to the next financial year.

The charity received unrestricted funding of £1,026,000 from Bristol City Council and £243,750 NPO funding from Arts Council England to enhance our music programming and audience development activities during the year. Additional unrestricted voluntary funding of £81,888 has been generated for day to day activities from public donations and corporate sponsorship, and from both the Colston Hall membership and patron schemes.

Total grants of £813,238 (restricted) have been received from funding organisations to support the Trust's music and educational programmes, including the annual music education grant from Arts Council England (£552,935) and a major grant from the Youth Music Foundation (£123,778) to deliver Bristol Plays Music's New Ambition for Inclusive Excellence programme.

In addition, £2,316,170 funding has been received this year for the Colston Hall capital transformation project, of which £564,223 is carried forward after costs of £852,557 for the Trust's own project costs and £899,390 due to be transferred to Bristol City Council for design development costs incurred in the year.

Total net assets (total assets less current liabilities) and charity funds of £1,656,901 are reported as at 31 March 2019 (2017/18: £1,188,631), an increase of 39% year on year, mainly due to the capital fundraising campaign. Cash at bank and in hand totals £2,229,101 (2017/18 £3,567,434) of which £101,912 (2017/18: £1,112,691) relates to Colston Hall advance ticket sales and £1,273,451 (2017/18: £408,003) relates to the Colston Hall capital transformation project. The trustees have agreed that the designated Fixed Asset Fund should be sufficient to cover the organisation's fixed asset costs as at the financial year end (£98,889), and therefore approved a transfer of £3,611 from the General Fund as at 31 March 2019.

Reserves Policy

The total level of free reserves or General Fund (that is funds not tied up in fixed assets or designated or restricted funds) as at the end of 2018/19 is £358,008 (2017/18: £455,108). The trustees forecast that Bristol Music Trust will be operating with relatively low levels of reserves prior to the completion of the Phase 2 development of Colston Hall. The trustees regularly review the reserves policy, and have developed a strategy to build the charity's general reserves over time once the building project is complete. The trustees have agreed to target to maintain a minimum level of free reserves that equates to at least one to three months of budgeted staff costs (1 month £103,887) from April 2019).

Investments Policy

Under the Memorandum and Articles of Association, the charity has the power to make any investment that the Board of Trustees sees fit. The trustees have agreed that cash in relation to advance ticket income for upcoming shows (including commercial hires) be held in a separate Bristol Music Trust bank account from the main operational account to effectively and transparently manage the Trust's operational cash flow. The trustees have further agreed that cash in relation to restricted income received for the capital transformation project should also be held in a separate Bristol Music Trust bank account until which time it is either used by the Trust to pay for capital project costs or is transferred to Bristol City Council to pay for construction costs for the project.

FUTURE PLANS

The two auditoria were closed in June 2018. We have programmed an exciting schedule of around 200 concerts in other venues around Bristol through the year, as well as holding events and Festivals in the open Foyer building. We have undergone a redundancy programme to reduce headcount to those roles required for the development and planning period over the three closure years.

Closure plans are being further developed with operational transformation projects, a re-branding and re-naming strategy, a new box office system investment, a full scale review of operational and front of house processes and procedures and an in depth review of key business processes around programme and event planning. We will also be undertaking key procurements for new catering providers and other major service contracts.

As part of the strategy for delivering the transformation project we will continue to focus on advocacy, communication, and the development of key stakeholder relationships to support our work and fundraising campaign. This will continue with our individual giving campaign, the development of more corporate support, a major benefactor group and building and space naming rights.

During the transformation period we will continue to focus on generating commercial income from events in the Foyer building to support the team working on the transformation project. Our education work to reach over 30,000 children and young people across the Bristol area will be unaffected by the closure of the main Halls.

Upon reopening in 2021 we are confident that there will be a sustainable increase in audiences, income generation and business resilience resulting from the transformation and increased flexibility of the building and spaces, the diversity and quality of the programme, and an expanded commercial offer.

Bristol Music Trust's strategic vision for the next period through the Halls closure and reopening in 2021 is to ensure that:

- We work successfully with our partners to deliver a transformational vision for Colston Hall and Bristol Plays Music and put music at the heart of Bristol and the South West.
- The £52.2 million Colston Hall Phase 2 Redevelopment project will be delivered to budget and on schedule, reopening in 2021 to become an internationally recognised, world-class, fully accessible and sustainable centre of music and learning within our iconic historic building in the heart of the City.
- The main hall will have international standard facilities which will allow us to attract the very best musicians and performances of all types of music, enhancing the audience experience and the Trust's reputation for creative excellence and diversity.
- The refurbishment, restoration and improvement of The Lantern will celebrate its original architecture and history whilst becoming fully accessible to artists and audiences, inspiring a wide range of performances, showcasing emerging artists, whilst also providing a flexible space for community and commercial activities.
- The historic cellars will be opened for the first time to create an atmospheric third performance space and a home for Bristol Plays Music, providing world-class spaces for education and enterprise in partnership with local music colleges. It will also house the National Centre for Inclusive Excellence to deliver music learning for young people with special educational needs and disabilities.
- Our innovative music education programme has pledged to make an impact on every single child in Bristol as we channel the power of music and the arts into future generations across the region. Bristol will become the 'UK Capital of Young People's Music', providing equality of access to performance and educational opportunities in partnership with Colston Hall, and developing a leadership role in all aspects of music education city wide.
- The Trust continues to be financially secure and commercially astute, building business resilience and maximising funds available for artistic and educational objectives, whilst making a significant contribution to the economic prosperity of the region.
- Our organisational culture will continue to be creative, motivated, diverse, flexible, collaborative and professional and this will be underpinned by appropriate HR policies and procedures, training and development, and managerial support.
- We will continue to deliver an innovative music strategy during the closure period, promoting shows across the City as well as hosting a range of original events in the Colston Hall Foyer building.
- We continue to build creative partnerships with local, national and international artists and organisations, to inspire and energise our music and educational programmes, and ensure that Bristol remains a cultural city where the arts thrive and excellence is rewarded.

Trustees' & Directors' Responsibilities in the Preparation of Financial Statements

The trustees (who are also the directors of Bristol Music Trust for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP and FRS 102;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the charitable company and the group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

Auditor

RSM UK Audit LLP was appointed during the financial year 2011/12 and have been reengaged for the financial year 2018/19. They have indicated a willingness to continue in office.

Statement as to Disclosure of Information to the Auditor

The trustees and directors at the date of approval of this Trustees' Annual Report confirm that so far as each of them is aware, there is no relevant audit information of which the charity's auditor is unaware, and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved by the Board of Trustees on **26th July 2019**, and was signed on their behalf by:



.....
Simon Chapman (Chair)

Opinion

We have audited the financial statements of Bristol Music Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements and 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 FRS 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 March 2019 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report other than the financial statements and our auditor's report thereon. 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 prepared 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 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 the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient 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 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 20, the trustees (who are also the directors of the 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 group's and 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 group or parent 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

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.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kerry Gallagher

Kerry Gallagher (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

7 August 2019

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2019 £	Total funds 2018 £
Income					
Voluntary income	1	1,351,638	3,129,408	4,481,046	4,188,325
Charitable activities	2	2,123,413	-	2,123,413	4,578,138
Other trading activities	3	595,367	-	595,367	1,189,401
Investment income	4	5,284	-	5,284	8,895
Total income		4,075,702	3,129,408	7,205,110	9,964,759
Expenditure					
Raising voluntary income	5	2,817	-	2,817	10,705
Charitable activities	6	3,657,252	808,480	4,465,732	6,926,959
Other trading activities	5	516,344	-	516,344	901,278
Capital Transformation Project	7	-	1,751,947	1,751,947	1,956,839
Total expenditure		4,176,413	2,560,427	6,736,840	9,795,781
Net income/(expenditure)	11	(100,711)	568,981	468,270	168,978
Transfers between funds		-	-	-	-
Net movement in funds	18	(100,711)	568,981	468,270	168,978
Total funds brought forward		712,355	476,276	1,188,631	1,019,652
Total funds carried forward	18	611,644	1,045,257	1,656,901	1,188,631

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure for the year derive from the charity's continuing activities.

	Notes	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Fixed assets					
Tangible assets	12	98,889	102,500	85,769	84,420
Investment in subsidiary	13	-	-	1	1
Total fixed assets		98,889	102,500	85,770	84,421
Current assets					
Stock	14	11,062	34,862	-	-
Debtors	15	2,648,244	1,618,389	2,611,047	1,878,564
Cash at bank and in hand					
- Operational		853,738	2,046,740	811,536	1,735,244
- Restricted Capital Funds		1,273,451	408,003	1,273,451	408,003
- Advance Ticket Sales		101,912	1,112,691	101,912	1,112,691
Total current assets		4,888,407	5,220,685	4,797,946	5,134,502
Total assets		4,987,296	5,323,185	4,883,716	5,218,923
Liabilities					
Creditors falling due within one year	16	(3,330,395)	(4,134,554)	(3,305,838)	(4,030,292)
Net current assets		1,558,012	1,086,131	1,492,108	1,104,210
Total assets less current liabilities		1,656,901	1,188,631	1,577,878	1,188,631
The funds of the charity					
Restricted funds	18	1,045,257	476,276	1,045,257	476,276
Unrestricted funds	18				
- General fund		358,008	455,108	292,105	473,188
- Designated funds		253,636	257,247	240,516	239,167
Total charity funds		1,656,901	1,188,631	1,577,878	1,188,631

The parent charitable company made a total surplus for the year of £389,247 (2018: £168,980) including restricted funds.

The financial statements on pages 24 to 41 were approved by the Board of Trustees on 26 July 2019 and are signed on their behalf by:


.....
Simon Chapman (Chair)

Company Number: 07531978

	Notes	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash generated by operating activities	20	(1,313,524)	303,109	(1,045,741)	195,611
Cash flows from investing activities					
Interest income		5,284	8,895	5,284	8,895
Purchase of tangible fixed assets		(30,093)	(71,817)	(28,582)	(55,934)
Total cash flows from investing activities		(24,809)	(62,922)	(23,297)	(47,039)
Increase in cash in the year		(1,338,333)	240,187	(1,063,039)	148,572
Total cash brought forward		3,567,434	3,327,247	3,255,938	3,107,369
Total cash carried forward		2,229,101	3,567,434	2,186,899	3,255,941

The principal accounting policies adopted, judgements, and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP) applicable to charities preparing their accounts and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

Bristol Music Trust 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.

BASIS OF CONSOLIDATION

The group Financial Statements consolidate the results of the parent charitable company and its subsidiary undertaking for the year ended 31 March 2019 using the acquisition method of accounting. Intra group transactions and profits are eliminated fully on consolidation. A separate statement of financial activities, dealing with the results of the parent charity entity only has not been presented as permitted by section 408 of the Companies Act 2006.

GOING CONCERN

The trustees have presented the accounts on a going concern basis. The assumption relies upon the continuation of the Bristol City Council grant funding for the coming year and the foreseeable future and formal agreement is in place to 2022/23.

INCOME

Voluntary income includes our service funding from Bristol City Council which is of a general nature. Income from grants and donations is recognised when there is evidence of entitlement, probability of receipt and they can be reliably measured. Grant funding received in relation to specific projects (for example education projects) is recognised as restricted funding.

Income from charitable activities includes hall hire income, box office sales from our own promotions, income from our educational activities, and box office booking fees. It is recognised as earned income in the year which the related goods or services are provided. Charitable activity income is deferred when box office sales or bookings are received or invoiced in advance of the performance or event to which they relate. Advance ticket revenue for future lettings, and therefore due to external promoters, is included in deferred income (note 17).

EXPENDITURE

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT that cannot be recovered.

Expenditure on raising voluntary income includes direct and indirect costs associated with our fundraising activity.

Expenditure on charitable activities includes costs associated with the staging of performances, events, and our educational activities, and includes both the direct costs and support costs relating to these activities (including costs incurred in the governance of the charity and its assets).

Expenditure on other trading activities includes costs associated with commercial trading operations (catering, hire of conferencing facilities and meeting-rooms at Colston Hall, and the provision of box office services to other arts organisations) through BMT Enterprises Ltd, and includes both the direct costs and support costs relating to these activities.

Bristol Music Trust leases the Colston Hall premises, and certain fixed assets within the hall at the time of transfer of business operations, from Bristol City Council at a peppercorn rent. It is not considered possible to determine the open market value of the facility and therefore no rental charge has been recognised in the Statement of Financial Activities.

TERMINATION PAYMENTS

Termination payments are payable when employment is terminated before the normal retirement date or end of employment contract. They are recognised when the commitment to payment is made.

TANGIBLE FIXED ASSETS

All tangible assets purchased that have an expected useful economic life that exceeds one year and a value of more than £1,000 are capitalised and classified as fixed assets. Any equipment or assets purchased for less than £1,000 per item will be accounted for as expenditure in the year of purchase. Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Furniture, fixtures and fittings	3-5 years straight line
Computer equipment	3 years straight line
Technical equipment	3-10 years straight line
Plant & Machinery	3-10 years straight line
Catering equipment	3 years straight line
Musical Instruments	10 years straight line

Bristol City Council has agreed that assets (catering equipment, technical equipment, plant and machinery, furniture, fixtures and fittings) associated with the running of the Colston Hall and contained within the building at the start of the lease will be left at the premises for the term of the 25 year lease as part of the lease agreement. Ownership of these assets is retained by the Council and these assets (or equivalent assets in the same condition) will be returned to the Council at the end of the lease, and therefore should not be recognised as assets by the charity. It is the opinion of the trustees that all such assets are of a low fair value and as such would be immaterial to the financial statements. This excludes the two Steinway pianos which must be maintained by the Trust as part of the lease agreement. Where tangible assets are purchased as replacements they will be recognised as assets by the charity and depreciated in accordance with the policy above.

STOCKS

Stocks are valued at the lower of cost and net realisable value.

LEASED ASSETS AND OBLIGATIONS

All other leases are “operating leases” and the annual rentals are charged to the statement of financial activities on a straight line basis over the lease term.

PENSION CONTRIBUTIONS

The charity has introduced a defined contribution pension scheme for employees with Royal London, and a defined contribution pension scheme for casual workers with the National Employment Savings Trust. The assets of both schemes are held separately from those of the charity. The annual employer’s contributions are charged to the Statement of Financial Activities.

Bristol Music Trust employees who were TUPE transferred to the organisation from Bristol City Council retain their membership of the Local Government Pension Scheme (a defined benefits scheme). The assets of the scheme are held separately from those of the charity. The employer’s contributions rate was assessed at 14.7% at the time of transfer based upon details of the employees who transferred over. The transfer agreement states that potential increases to this rate (over 17.2%) after future assessments will be covered by a corresponding increase in Bristol City Council grant funding to avoid any financial risk to the charity. As such the scheme is treated as a defined contribution scheme in accordance with FRS102 Retirement Benefits.

Bristol Music Trust employees who were TUPE transferred to the organisation as members of the Teachers’ Pension Scheme (a defined benefits scheme) retain their membership of this scheme. The company contributes to the Teachers’ Pension Scheme at rates set by the Scheme Actuary and advised to the Governors by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the company. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme. Further details are provided in note 21.

FUND ACCOUNTING

The general fund comprises the accumulated surpluses of unrestricted incoming resources over resources expended, which are available for use in furtherance of the general objectives of the charity.

Designated funds are a particular form of unrestricted funds consisting of amounts which have been allocated or designated for specific purposes by the trustees. The use of designated funds remains at the discretion of the trustees.

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the accounts. Amounts unspent at the year-end are carried forward in the balance sheet. Due to the material balance of the building refurbishment project, it has been split out into a separate restricted fund in note 18 under the heading ‘CH Phase 2 – Capital Transformation Project’.

1. VOLUNTARY INCOME

	Unrestricted funds	Restricted funds	Total funds 2019	Total funds 2018
	£	£	£	£
Core Activities				
Bristol City Council – core funding	1,026,000	-	1,026,000	1,026,000
Music education hub funding	-	556,018	556,018	551,129
Other grants	243,750	33,895	277,645	243,750
Trusts and foundations	-	223,325	223,325	160,970
Individual donations	13,673	-	13,673	28,361
Patrons	19,133	-	19,133	22,205
Memberships	9,332	-	9,332	37,108
Sponsorship	39,750	-	39,750	62,500
Core Activities: Voluntary Income	1,351,638	813,238	2,164,876	2,132,023
Capital Transformation Project				
Other Grants	-	827,974	827,974	1,470,171
Trusts and Foundations	-	815,620	815,620	350,000
Other Sources	-	672,576	672,576	236,131
Colston Hall Phase 2 - Transformation Project: Voluntary Income	-	2,316,170	2,316,170	2,056,302
Total voluntary income	1,351,638	3,129,408	4,481,046	4,188,325

Voluntary income was £4,481,046 (2018: £4,188,325) of which £1,351,638 was unrestricted (2018: £1,419,924) and £3,129,408 was restricted (2018: £2,768,401).

2. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Total funds 2019	Total funds 2018
	£	£	£
Hall and space lettings	244,193	244,193	867,891
Own and co- promotions	922,449	922,449	2,451,110
Education activities	783,970	783,970	803,834
Other event income	172,801	172,801	455,303
Total income from charitable activities	2,123,413	2,123,413	4,578,138

Income from charitable activities was £2,123,413 (2018: £4,578,138), this was all unrestricted (2018: all unrestricted).

3. NET INCOME FROM TRADING ACTIVITIES (BMT ENTERPRISES LTD)

	2019	2018
	£	£
Turnover	595,367	1,189,401
Cost of sales	(267,044)	(403,874)
Gross profit	328,323	785,527
Administration costs	(249,300)	(497,404)
Net income from trading activities	79,023	288,123
Gift aid payment to Bristol Music Trust	-	(288,123)
Retained in subsidiary	79,023	-
Total assets	104,628	392,377
Total liabilities	(25,604)	(392,376)
Net assets	79,024	1
Share capital and reserves	79,024	1

4. INVESTMENT INCOME

	2019	2018
	£	£
Bank interest	5,284	8,895

5. COSTS OF RAISING FUNDS

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Costs of trading activities (BMT Enterprises Ltd)				
Cost of sales	267,044	-	267,044	403,874
Staff costs (note 9)	194,539	-	194,539	183,601
Other support costs	54,761	-	54,761	313,803
	516,344	-	516,344	901,278
Costs of raising voluntary income				
Direct costs of fundraising	1,665	-	1,665	8,788
Indirect costs of fundraising	1,152	-	1,152	1,917
	2,817	-	2,817	10,705
Total costs of raising funds	519,161	-	519,161	911,983

The costs of raising funds were £519,161 (2018: £911,983) of which £519,161 was unrestricted (2018: £911,983).

Costs of staff employed in a fundraising capacity are included in support costs of charitable activities (note 6).

6. COSTS OF CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Direct costs of charitable activities				
Hall and space lettings	54,038	-	54,038	255,692
Own and co-promotions	975,421	-	975,421	2,477,978
Education activities	42,451	649,767	692,218	720,610
Other event income	25,590	-	25,590	99,494
	1,097,500	649,767	1,747,267	3,553,774
Support costs of charitable activities				
Staff costs (note 9)	1,830,040	72,090	1,902,130	2,523,598
Premises costs	216,041	1,326	217,367	341,747
Other supplies and services	359,886	85,297	445,183	317,893
Marketing costs	153,785	-	153,785	189,947
	2,559,752	158,713	2,718,465	3,373,185
Total costs of charitable activities	3,657,252	808,480	4,465,732	6,926,959

Costs of charitable activities were £4,465,732 (2018: £6,926,957) of which £3,657,252 was unrestricted (2018: £6,149,412) and £808,480 was restricted (2018: £777,547).

7. COSTS OF CAPITAL TRANSFORMATION PROJECT

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Direct costs of capital transformation project				
Staff costs (note 9)	-	352,612	352,612	66,461
Transfer of funds to Bristol City Council for project delivery costs	-	899,390	899,390	1,465,511
Direct and indirect fundraising costs	-	68,151	68,151	226,021
Other support costs	-	431,794	431,794	198,846
Total costs of capital project	-	1,751,947	1,751,947	1,956,839

8. GOVERNANCE COSTS (included in other supplies and services)

	2019 £	2018 £
Audit	11,500	11,000
Accountancy fee	7,150	1,400
Trustee expenses	96	73
	18,746	12,473

9. STAFF COSTS

	2019	2018
The average monthly number of persons employed by the charity during the year was as follows:		
	No.	No.
Employees	116	126
Casual workers	51	56
Monthly total	167	182

These staff numbers include members of staff contracted by Bristol Music Trust on behalf of BMT Enterprises Ltd, the costs of which are charged direct to BMT Enterprises Ltd as part of the cost sharing agreement between parent company and subsidiary.

Staff costs for the above persons:

	£	£
Wages and salaries	1,998,493	2,305,729
Social security costs	152,701	141,105
Pension costs	178,658	196,282
Agency staff	77,041	28,537
Training, recruitment and allowances	19,963	26,925
Redundancy payments	22,424	75,082
Total staff costs	2,449,280	2,773,660

Staff costs for the executive team (key management personnel) including employer pension contributions totalled £677,881 for the year (2018: £612,443) for 13 members of staff (2018: 12). During the year redundancy and termination payments of £22,424 (2018: £75,082) were made to 3 (2018: 11) employees.

Two employees (2018: one) received total emoluments (excluding employer pension contributions) in excess of £60,000 within the following bands:

	No.	No.
£60,001 - £70,000	1	-
£90,001 - £100,000	1	1
	2	1

The above employees earning more than £60,000 per annum participated in the Defined Contribution Pension Scheme. During the year ended 31 March 2019, the pension contributions for staff in these bands amounted to £4,578 (2018: £4,533).

The charity has taken out a trustees' indemnity insurance policy that provides professional indemnity cover for the trustees of the charity. The cost of this insurance policy to the charitable company for the year was £597 (2018: £864).

None of the members of the Board of Trustees received any remuneration. During the year trustees received reimbursements of personal travel and subsistence expenditure that amounted to £96 (2018: £73).

10. DIRECTORS' REMUNERATION

	2019	2018
	£	£
Remuneration for qualifying services	45,780	-
Company pension contributions to defined contribution schemes	2,289	-
	48,069	-

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018: 0).

11. NET INCOME/(EXPENDITURE)

	2019	2018
	£	£
This is stated after charging:		
Depreciation	33,704	35,642
Operating leases		
– Plant & machinery	22,264	15,750
– Office & equipment	22,905	8,677
Audit fee	11,500	11,000
Stock expense	134,945	234,127

12. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Office Equipment £	IT Equipment £	Fixtures & Fittings £	Musical Instruments £	Total 2019 £
Group:						
Cost						
1 April 2018	115,545	5,322	61,613	189,371	1,207	373,058
Additions	19,730	-	7,286	1,511	1,566	30,093
Disposals	-	-	-	-	-	-
31 March 2019	135,275	5,322	68,899	190,882	2,773	403,151
Depreciation						
1 April 2018	(54,220)	(1,914)	(53,873)	(160,541)	(10)	(270,558)
Charge for the year	(15,849)	(603)	(3,927)	(12,969)	(356)	(33,704)
Disposals	-	-	-	-	-	-
31 March 2019	(70,069)	(2,517)	(57,800)	(173,510)	(366)	(304,262)
Net book value						
31 March 2019	65,206	2,805	11,099	17,372	2,407	98,889
31 March 2018	61,325	3,408	7,740	28,830	1,197	102,500
Company:						
Cost						
1 April 2018	104,925	5,322	48,885	98,073	1,207	258,412
Additions	19,730	-	7,286	-	1,566	28,582
Disposals	-	-	-	-	-	-
31 March 2019	124,655	5,322	56,171	98,073	2,773	286,994
Depreciation						
1 April 2018	(47,723)	(1,914)	(48,885)	(75,460)	(10)	(173,992)
Charge for the year	(14,800)	(603)	(655)	(10,819)	(356)	(27,233)
Disposals	-	-	-	-	-	-
31 March 2019	(62,523)	(2,517)	(49,540)	(86,279)	(366)	(201,225)
Net book value						
31 March 2019	62,132	2,805	6,631	11,794	2,407	85,769
31 March 2018	57,202	3,408	-	22,613	1,197	84,420

13. INVESTMENTS

	Group 2019	Group 2018	Company 2019	Company 2018
	£	£	£	£
Investment in share capital of BMT Enterprises Ltd	-	-	1	1

The above relates to an investment of 100% of ordinary share capital in the subsidiary company BMT Enterprises Ltd (company number 07575415).

14. STOCKS

	Group 2019	Group 2018	Company 2019	Company 2018
	£	£	£	£
Finished goods and goods for resale	11,062	34,862	-	-

The above relates to Colston Hall bars stock and merchandise held by the subsidiary company BMT Enterprises Ltd.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2019	Group 2018	Company 2019	Company 2018
	£	£	£	£
Trade debtors	135,539	469,011	98,342	447,565
Other debtors	35,732	21,443	35,732	21,443
Amounts owed by group	-	-	-	288,123
Prepayments	248,286	55,408	248,286	55,408
Accrued income	2,228,687	1,072,527	2,228,687	1,066,025
	2,648,244	1,618,389	2,611,047	1,878,564

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2019	Group 2018	Company 2019	Company 2018
	£	£	£	£
Trade creditors	357,914	626,103	354,554	561,680
Other taxation and social security costs	110,147	190,903	109,771	189,017
Pension contributions payable	20,581	22,724	19,981	22,193
Other creditors	13,171	99,809	13,171	99,809
Accruals	2,370,588	1,775,607	2,369,047	1,749,117
Deferred income (note 17)	457,994	1,419,408	439,314	1,408,476
	3,330,395	4,134,554	3,305,838	4,030,292

Deferred income includes advance ticket income of £359,852 (2018: £1,112,691).

NatWest Bank holds a fixed and floating charge over all assets of the charity. This was registered in 2015.

17. DEFERRED INCOME

	Group £	Company £
Balance as at 1 April 2018	1,419,408	1,408,476
Amount released to income from charitable activities	(1,419,408)	(1,408,476)
Amount deferred in the year	457,994	439,314
Balance as at 31 March 2019	457,994	439,314

18. ANALYSIS OF CHARITABLE FUNDS

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfer between funds £	Funds at 31 March 2019 £
Restricted funds					
A New Ambition for Inclusive Excellence	28,101	168,132	(132,414)	-	63,819
Music Education Hub	-	556,018	(556,018)	-	-
Multi-track	6,038	-	(6,038)	-	-
Open Up	5,000	5,000	(10,000)	-	-
Cultural Curriculum for Bristol	29,134	-	(29,134)	-	-
Artist Development	-	48,463	(39,251)	-	9,212
Community	-	15,625	(15,625)	-	-
Young Companies in Residence	-	20,000	(20,000)	-	-
	68,273	813,238	(808,480)	-	73,031
Restricted funds: CH Phase 2 – Capital Transformation Project					
Heritage Lottery Fund	-	43,594	(43,594)	-	-
Local Enterprise Partnership	-	1,000,000	(1,000,000)	-	-
The Nisbet Trust	15,620	200,000	(215,620)	-	-
Foyle Foundation	-	250,000	(125,000)	-	125,000
Garfield Weston	250,000	-	(250,000)	-	-
Other Capital Funding Sources	142,383	672,576	(117,733)	-	697,226
St James Place Foundation	-	150,000	-	-	150,000
	408,003	2,316,170	(1,751,947)	-	972,226
	476,276	3,129,408	(2,560,427)	-	1,045,257
Unrestricted funds:					
General fund	455,108	4,075,702	(4,176,413)	3,611	358,008
Designated funds					
- Bristol Plays Music fund	49,747	-	-	-	49,747
- Music Development fund	50,000	-	-	-	50,000
- Colston Hall Building fund	55,000	-	-	-	55,000
- Fixed Assets fund	102,500	-	-	(3,611)	98,889
	712,355	4,075,702	(4,176,413)	-	611,644
Total funds	1,188,631	7,205,110	(6,736,841)	-	1,656,901

18. ANALYSIS OF CHARITABLE FUNDS (continued)

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfer between funds £	Funds at 31 March 2018 £
Restricted funds					
Bristol Plays Music - Music Education Hub	-	551,129	(551,129)	-	-
A New Ambition for Inclusive Excellence	68,908	123,778	(164,585)	-	28,101
Multi-track	-	19,192	(13,154)	-	6,038
Open Up	-	5,000	-	-	5,000
Cultural Curriculum for Bristol	54,813	-	(25,679)	-	29,134
Talent Development Programme	10,000	10,000	(20,000)	-	-
Young Companies in Residence	-	3,000	(3,000)	-	-
	133,721	712,099	(777,547)	-	68,273
Restricted funds: CH Phase 2 – Capital Transformation Project					
Arts Council Capital Funding	40,191	361,722	(401,913)	-	-
Heritage Lottery Fund	-	108,449	(108,449)	-	-
Lottery Enterprise Partnership	-	1,000,000	(1,000,000)	-	-
The Nisbet Trust	100,000	100,000	(184,380)	-	15,620
Garfield Weston	-	250,000	-	-	250,000
Other Capital Funding Sources	34,504	236,131	(128,252)	-	142,383
	174,695	2,056,302	(1,822,994)	-	408,003
	308,416	2,768,401	(2,600,541)	-	476,276
Unrestricted funds:					
General fund	490,164	7,196,358	(7,195,239)	(36,175)	455,108
Designated funds					
- Bristol Plays Music fund	49,747	-	-	-	49,747
- Music Development fund	50,000	-	-	-	50,000
- Colston Hall Building fund	55,000	-	-	-	55,000
- Fixed Assets fund	66,325	-	-	36,175	102,500
	711,236	7,196,358	(7,195,239)	-	712,355
Total funds	1,019,652	9,964,759	(9,795,780)	-	1,188,631

A New Ambition for Inclusive Excellence: A grant from the Youth Music Foundation for three years from 2015/16 has been allocated to support the project to transform music education in Greater Bristol for children and young people with SEND.

Music Education Hub: Arts Council England funding towards the cost of delivery of music education hub activity through Bristol Plays Music. Funding is utilised in the financial year to which it relates.

Multi-track: A programme of work developing educational and professional opportunities for emerging artists from the underground music scene to develop career paths to step into industry. The "Home Grown Heat" strand of work, funded by Help Musicians is a 3 year programme of work to support 3 musicians aged

18-25 years old in developing their professional practice. PRS for Music Foundation funding has also been received to fund work including masterclasses, business seminars and a performance showcase under the Talent Development programme.

Open Up Orchestras: Funds have been received from the Nisbet Foundation in support of licencing fee costs for setting up Open Orchestras in Bristol schools, giving opportunities to young disabled people to perform.

Cultural Curriculum For Bristol: A pilot programme to design and create a citywide cultural curriculum covering music, dance, drama, visual arts and design led by Bristol Plays Music and Bristol Old Vic, in association with Arnolfini, Theatre Bristol and Spike Island, and UWE. The initiative, which aims to combat the decline in cultural education in Bristol schools, has worked with four primary schools to develop the curriculum, and received £60,000 funding from the Paul Hamlyn Foundation's Explore and Test fund in 2016/17 which continues to be used to fund this three year project.

Artist Development: A number of trust and foundation grants support this programme to strengthen progression routes for emerging and developing music creators through performance opportunities, showcase events, industry advice.

Young Companies in Residence: Funding from a number of trusts and foundations supports the development of Bristol Plays Music's flagship youth ensembles Bristol Youth Choir and Bristol Youth Orchestra as Young Companies in Residence at Colston Hall.

Colston Hall Phase 2 – Capital Transformation Project:

The building refurbishment project has received restricted funds from a range of funders including statutory, donations from individuals, corporate sponsorship and grants from trusts and foundations.

Heritage Lottery Fund: The funding is from the total grant award of £4.75m and was used for heritage and community projects.

Local Enterprise Partnership for the South West of England: Now renamed the West of England Combined Authority. A grant of £5m has been awarded for the project and this represents the second instalment. Trusts and Foundations funding was received in the year from *The Nisbet Trust, the Foyle Foundation* and *Garfield Weston*.

Other funding received was sourced from the launch of a public giving campaign, major donors, patrons and corporate sponsors.

Bristol Plays Music Fund: A designated fund to support the charity's ongoing educational provision including funding for holiday activities and instrument renewal.

Music Development Fund: A designated fund established to support the ongoing creative development of the Colston Hall music programme and audience development strategy and to provide mitigation for the associated financial risks of own promotions within a curated programme.

Colston Hall Building Fund: A designated fund to support the Trust's planning for the Colston Hall Phase 2 – Capital Transformation Project.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS 2019

	General fund £	Designated funds £	Restricted funds £	Total funds £
Brought Forward Fund balances at 31 March 2018	455,108	257,247	476,276	1,188,631
Group:				
Tangible fixed assets	-	98,889	-	98,889
Current assets	3,688,403	154,747	1,045,257	4,888,407
Current liabilities	(3,330,395)	-	-	(3,330,395)
Total assets less current liabilities	358,008	253,636	1,045,257	1,656,901
Company:				
Tangible fixed assets	-	85,769	-	85,769
Investments	1	-	-	1
Current assets	3,597,942	154,747	1,045,257	4,797,946
Current liabilities	(3,305,838)	-	-	(3,305,838)
Total assets less current liabilities	292,105	240,516	1,045,257	1,577,878

ANALYSIS OF NET ASSETS BETWEEN FUNDS 2018

	General fund £	Designated funds £	Restricted funds £	Total funds £
Brought Forward Fund balances at 31 March 2017	490,164	221,072	308,416	1,019,652
Group:				
Tangible fixed assets	-	102,500	-	102,500
Current assets	4,589,662	154,747	476,276	5,220,685
Current liabilities	(4,134,554)	-	-	(4,134,554)
Total assets less current liabilities	455,108	257,247	476,276	1,188,631
Company:				
Tangible fixed assets	-	84,420	-	84,420
Investments	1	-	-	1
Current assets	4,503,479	154,747	476,276	5,134,502
Current liabilities	(4,030,292)	-	-	(4,030,292)
Total assets less current liabilities	473,188	239,167	476,276	1,188,631

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	Group 2019	Group 2018	Company 2019	Company 2018
	£	£	£	£
Net movement in funds	468,270	168,983	389,247	168,983
Dividend received	-	-	-	221,294
Add depreciation charge	33,704	35,642	27,233	30,983
Deduct interest income	(5,284)	(8,895)	(5,284)	(8,895)
Decrease/(increase) in stock	23,800	(15,812)	-	-
(Increase)/decrease in debtors	(1,029,855)	(1,212,825)	(732,483)	(1,521,271)
(Decrease)/increase in creditors	(804,159)	1,336,016	(724,454)	1,304,517
Cash generated by operating activities	(1,313,524)	303,109	(1,045,741)	195,611

21. PENSION COMMITMENTS

During the year the charity contributed to four pension schemes for its employees and casual workers as appropriate, the Bristol Music Trust Pension Scheme, the National Employment Savings Trust, the Local Government Pension Scheme and the Teachers' Pension Scheme. The total cost for the year amounted to £178,658 (2018: £196,282).

The charity participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its music tutor employees following the transfer of the Bristol Arts and Music Service staff. The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014.

The actuarial valuation has not yet been published therefore the details of the prior valuation are still reflected below.

The valuation report was published in June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits of £191,500 million, and notional assets (estimated future contributions together with the proceeds for the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2.0% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

Whilst the actuarial valuation has not been published it has been published that the determined employer rate will increase to 23.68% from 16.48% (including a 0.08% administration fees) and is payable from September 2019.

The pension charge for the year includes contributions payable to the TPS of £73,162 (2018: £31,562). The charity has a charge of £20,000 cash deposit, dated 21 August 2013 in favour of NatWest Bank Plc, sufficient to cover three months contributions to the TPS.

22. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2019 the charity was committed to make total future lease payments under operating leases for each of the following periods:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
In respect of plant and machinery leases due:				
Within 1 year	13,440	9,312	13,440	9,312
In the second to fifth year	25,363	20,891	25,363	20,891
	38,803	30,203	38,803	30,203

23. RELATED PARTY TRANSACTIONS

Detail of the relationship with Bristol City Council is provided on page 11.

During the year the charity made purchases of:

£2,118 (2018: £5,590) from Nisbets PLC. Andrew Nisbet is a Director of this company.

£36,820 (2018: £nil) from DAC Beechcroft from which Anthony Cherry retired as partner on 31 March 2019.

£3,828 (2018: £2,989) from Destination Bristol for which Louise Mitchell is a Trustee for this organisation.

During the year the charity made sales of:

£Nil (2018: £2,500) to Nisbets PLC. Andrew Nisbet is a Director of this company.

£8,845 (2018: £nil) to DAC Beechcroft from which Anthony Cherry retired as partner on 31 March 2019.

£Nil (2018: £200) to Destination Bristol. Louise Mitchell is a Trustee for this organisation.

£Nil (2018: £900) to Lakota. Marti Burgess is a Director of this company.

£7,632 (2018: £14,286) to Merchants Academy. Andrew Nisbet is a Trustee for this company. Included in trade debtors is £3,494 in relation to these sales which remains outstanding at the year-end.

£25,228 (2018: £nil) to Cabot Learning Federation. Anthony Cherry is a Director of this entity. Included in trade debtors is £6,099 in relation to these sales which remains outstanding at the year-end.

During the year donations to the Colston Hall Phase 2 – Capital Transformation Project received from Trustees totalled £10,820 (2018: £112,778). During the year further donations of £5,000 (2018:£nil) were received from Trusts and Foundations controlled by the Trustees.

Bristol Music Trust has a wholly owned subsidiary, BMT Enterprises Ltd (see note 3). Bristol Music Trust charged BMT Enterprises Ltd staff costs of £81,580 during the year (2018: £183,601). In 2019 BMT Enterprises Ltd did not transfer its profits to the Trust as a gift aid payment (2018: profits transferred of £288,123). There was no outstanding balance as at 31 March 2019 (2018: £288,123).