

MERTON MUSIC FOUNDATION

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 1998



MERTON MUSIC FOUNDATION

COMPANY INFORMATION

Directors

John Mander
David Merriman
Doreen Hewitt
Brenda Spencer

Secretary

John Mander

Company Number

02590621

Registered Office

Chaucer Building
Canterbury Road
Morden
Surrey
SM4 6PX

Auditors

Mitchell Rodrigues & Co.
York Court
Alt Grove
St George's Road
LONDON
SW19 4DZ

MERTON MUSIC FOUNDATION

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MERTON MUSIC FOUNDATION

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST AUGUST 1998

The directors present their report together with the audited financial statements for the year ended 31st August 1998.

Principal Activities

The company's principal activity continued to be that of the advancement of musical education within the framework of the arts for the benefit of the public in the London Borough of Merton and elsewhere.

Directors

The directors who served during the year

John Mander
David Merriman
Doreen Hewitt
Brenda Spencer

The company is limited by guarantee and there is no share capital.

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these financial statements the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Small company exemptions

The report of the Directors' has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and was approved by the board on and signed on its behalf.


John Mander, Secretary

Date: 7/1/99

AUDITORS' REPORT TO THE MEMBERS OF MERTON MUSIC FOUNDATION

We have audited the financial statements on pages 3 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective Responsibilities of Directors and Auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and report our opinion to you.

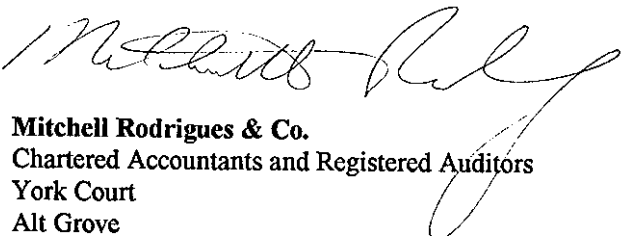
Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st August 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Mitchell Rodrigues & Co.
Chartered Accountants and Registered Auditors
York Court
Alt Grove
St George's Road
LONDON
SW19 4DZ

Date: 18/1/99

MERTON MUSIC FOUNDATION

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST AUGUST 1998

	Notes	1998 £	1997 £
Turnover	2	317,826	326,410
Gross Profit		317,826	326,410
Administrative Expenses		339,190	361,154
Operating Loss	3	(21,364)	(34,744)
Interest Receivable		1,441	2,026
Loss for the Financial Year		(19,923)	(32,718)
Retained Profit Brought Forward		38,182	70,900
Retained Profit Carried Forward		18,259	38,182

MERTON MUSIC FOUNDATION

BALANCE SHEET

AS AT 31ST AUGUST 1998

	Notes	£	1998 £	1997 £
Fixed Assets				
Tangible assets			20,378	19,905
Current Assets				
Debtors	6	7,553	12,260	
Cash at bank and in hand		18,642	19,296	
		26,195	31,556	
Creditors: Amounts Falling Due Within One Year	7	28,314	13,279	
Net Current Liabilities/Assets			(2,119)	18,277
Total Assets Less Current Liabilities			18,259	38,182
Capital and Reserves				
Profit and loss account			18,259	38,182
Members' Funds			18,259	38,182

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

These financial statements were approved by the board and signed on its behalf.


John Mander
Director

Date: 7/1/99

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 1998

1 Accounting Policies

Basis of Accounting

The Financial Statements have been prepared under the historical cost convention.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets by reducing balance method over their expected useful lives. The rates and periods generally applicable are:

Instruments and equipment	25%
Fixtures and fittings	25%
Computer equipment	25%

Debtors

Bad debts are written off after 12 months but no provision for them is made before this.

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

3 Operating Loss

The operating loss is arrived at after charging or crediting:

	1998	1997
	£	£
Depreciation of owned assets	6,793	6,635
Pension contributions	3,646	6,488
Auditors' remuneration	1,880	2,056

4 Directors

	1998	1997
	£	£
Directors' remuneration	36,116	36,304
Teachers' pension scheme - number	1	1

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 1998

5 Tangible Fixed Assets

	Office Equipment	Music and Instruments	Computer Equipment	Total
Cost	£	£	£	£
At 1st September 1997	6,338	13,715	17,212	37,265
Additions	-	496	6,770	7,266
At 31st August 1998	6,338	14,211	23,982	44,531
Depreciation				
At 1st September 1997	2,953	6,389	8,018	17,360
Charge for the year	846	1,956	3,991	6,793
At 31st August 1998	3,799	8,345	12,009	24,153
Net Book Value				
At 31st August 1998	2,539	5,866	11,973	20,378
At 31st August 1997	3,385	7,326	9,194	19,905

6 Debtors	1998	1997
	£	£
Trade debtors	5,999	12,209
Other debtors	1,554	51
	7,553	12,260
7 Creditors: Amounts Falling Due Within One Year	1998	1997
	£	£
Council Loan	15,000	-
Trade creditors	2,164	7,317
Other creditors	11,150	5,962
	28,314	13,279

'Other creditors' include £1,886 (1997 - £2,015) in respect of taxation and social security.