

HARROW YOUNG MUSICIANS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2020

HARROW YOUNG MUSICIANS
INDEX TO THE ANNUAL REPORT AND ACCOUNTS
YEAR ENDED 31ST AUGUST 2020

Page No.

| | |
|------|-----------------------------------|
| 1-4 | Directors' and Trustees' Report |
| 5 | Independent Examiner's Report |
| 6 | Statement of Financial Activities |
| 7 | Balance Sheet |
| 8-13 | Notes to the Financial Statements |

DIRECTORS AND TRUSTEES:

Dr J Boxall (appointed 18 January 2020)
Cllr K Ferry
Mr P Aplin
Mrs M Abbott
Mr L Davies
Mr D Desmond
Miss P Lyne

REGISTERED OFFICE:

3 Chicheley Gardens
Harrow
England HA3 6QH

COMPANY NUMBER:

03333808

CHARITY NUMBER:

1066985

WEBSITE:

www.hym.org.uk

HARROW YOUNG MUSICIANS
DIRECTORS AND TRUSTEES REPORT
YEAR ENDED 31ST AUGUST 2020

The directors and trustees present their annual report together with the accounts of the Charity for the year ended 31st August 2020.

PRINCIPAL ACTIVITY

The principal activity of the Charity is to organise musical opportunities for young people who live in and around the Borough of Harrow. This involves weekly term time rehearsals and regular public concerts.

Harrow Young Musicians ('HYM') has gained an enviable reputation for music-making to a high level in a lively and friendly atmosphere.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is a Company limited by guarantee, governed by its Memorandum and Articles of Association.

GOVERNANCE

The board set strategic objectives and ensured effective controls were in place for the management of the Charity. The trustees have considered the Charity Commission's general guidance on public benefit in relation to the aims of the Charity. The report sets out these aims and objectives in relation to the advance of music education and describes how they have been met in the current year.

DIRECTORS AND TRUSTEES

HYM is managed by a committee comprising volunteers.

HYM is run and managed in compliance with, and according to, the Memorandum and Articles of Association.

The Directors and Trustees that held office during the period of the accounts and to the date the accounts were signed are:-

| | | |
|--------------|-------------------------------|-------------------------------------|
| Miss P Lyne | Director, | Trustee |
| Mrs M Abbott | Director | Trustee |
| Mr L Davies | Director, Assistant Treasurer | Trustee |
| Mr P Aplin | Director, Treasurer | Trustee |
| Mr D Desmond | Director | Trustee |
| Cllr K Ferry | Director, Vice Chair | Trustee |
| Dr J Boxall | Director, Chair | Trustee (appointed 18 January 2020) |

HARROW YOUNG MUSICIANS
DIRECTORS AND TRUSTEES REPORT
YEAR ENDED 31ST AUGUST 2020

OBJECTIVES

The Charity's Objects are to advance public education in all aspects of music and in particular children and young people living in Harrow, Middlesex. In addition, HYM have an objective to develop and improve children's behaviour, confidence and self-esteem through the experience of music in large groups.

FUNDING

HYM no longer receives the grant it previously received from the London Borough of Harrow. Income is now exclusively covered by fees paid by members and voluntary donations. This pays for specialist music staff to lead weekly rehearsals and pay for the hire of premises.

HYM presents public concerts and receives income for these from ticket sales. This income offsets the cost of concert hall rental, and music and instrument hire.

PROJECTS AND ACTIVITIES

All individual groups perform in public concerts. There are larger concerts when groups perform together including in the last three years: Harrow Speech Room, St. John Smith's Square, LSO St Luke's and St Marks Basilica, Venice.

HYM has organised tours in previous years. The cost of the tours is intended to be covered by members' payment with no profit to HYM.

SERVICES

In addition to providing the opportunity for children to improve their musical abilities, there is an indirect pastoral care benefit for the members of HYM. This pastoral care allows the children to develop in a positive environment, encouraging good behaviour and allowing their individual personalities to grow and mature.

ACHIEVEMENTS

HYM concerts are notable for the excellent reception that greets the end of most of its performances. It offers a shared experience for the family with children performing to local dignitaries and their parents and other family members.

VOLUNTEER CONTRIBUTIONS

HYM is reliant on volunteer contributions principally from parents, trustees and former students who contribute time and energy in helping HYM run tours and successfully stage concerts as well as assisting in the day to day operation of the charity.

HARROW YOUNG MUSICIANS
DIRECTORS AND TRUSTEES REPORT
YEAR ENDED 31ST AUGUST 2020

REVIEW OF THE YEAR

The year ended 31st August 2020

FINANCIAL REVIEW OF THE YEAR

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the company's Memorandum and Articles of Association, the Companies Act 2006, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice 'Accounting and Reporting by Charities 2nd edition' effective January 2019.

The net loss for the year was £845 (2019: income of £32,868*). In March 2020, due to the COVID-19 pandemic, HYM was temporarily closed and fees paid in relation to March 2020 onwards refunded to parents where applicable. The loss to the charity from the closure and reduction in income has been mitigated through the decrease in variable costs such as conductor fees and administrative costs, a temporary reduction in salary costs and from furloughing the one member of staff and accessing the Government's Coronavirus Job Retention Scheme. The planned Venice tour in summer 2020 was cancelled with most of the flight costs paid in advance of the tour now recovered.

* During the prior year HYM received a legacy donation of £29,264. Excluding this legacy income, the net income for the prior year was £3,604.

The financial statements show a net reserves position of £73,377 with all funds being unrestricted. These reserves will enable HYM to continue to offer music services to young people for the foreseeable future.

FUTURE DEVELOPMENTS

HYM remained closed until May 2021 due to the ongoing COVID-19 pandemic. The impact on HYM was mitigated by the way HYM is now structured with significantly reduced fixed costs and the extension of the Coronavirus Job Retention Scheme. This means that HYM still has sufficient reserves to enable it to continue to operate for the foreseeable future despite the initial additional costs that will be faced in restarting in May 2021.

MANAGEMENT POLICIES

The principal financial management policies are:

- Set a fair and realistic fee to charge the children that attend HYM
- Set a fair and affordable price for entry to the concerts
- Set and agree affordable rates of pay to engage musicians to direct the rehearsals and concerts
- Settle promptly invoices received and other costs. E.g. Hire of premises and purchase of music
- The financial objective is to break even or incur a small deficit or surplus and to not retain excessive reserves

Other management policies:

- Meet responsibilities in terms of safe-guarding and child protection and child care
- Address complaints and whistle blowing
- Formulate anti bullying policies

HARROW YOUNG MUSICIANS
DIRECTORS AND TRUSTEES REPORT
YEAR ENDED 31ST AUGUST 2020

TRUSTEES' RESPONSIBILITIES

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date, and of its incoming resources and application of resources, including income and expenditure for the financial year. In preparing those financial statements, the Trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis.

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

The Trustees have at all times complied with the duty in section 4 of the 2006 Charities Act to have due regard to guidance published by the Charity Commission, including public benefit guidance.

The Company is one limited by guarantee and not having a share capital.

Approval

In preparing this report, the directors and trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Board on 25 May 2021 and signed on its behalf.

By Order of the Board

A handwritten signature in black ink, appearing to read 'Jon Boxall', written in a cursive style.

Jon Boxall: Director and Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HARROW YOUNG MUSICIANS

I report to the trustees (who are also Directors for the purpose of company law) on my examination of the financial statements of Harrow Young Musicians ('the charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of charitable company you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the Act and are eligible for independent examination, I report in respect of my examination of the charitable company's financial statements carried out under section 145 of the Charities Act 2011 ('the 2011 Act') and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair view which is not a matter considered as part of an independent examination; or
- the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Elizabeth Irvine FCA

25 May 2021

WMT-Chartered Accountants
Verulam Point
Station Way
St Albans
Hertfordshire
AL1 5HE

HARROW YOUNG MUSICIANS
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING AN INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31ST AUGUST 2020

| | <u>Note</u> | 2020 | 2019 |
|------------------------------------|-------------|---------------|---------------|
| | | £ | £ |
| Income and endowments from: | | | |
| Donations and legacies | 2 | 9,712 | 43,581 |
| Charitable activities | 3 | 31,185 | 51,287 |
| Government grants | 1.4 | 7,600 | - |
| Investments | 8 | 165 | 110 |
| Total Income | | 48,662 | 94,978 |
| Expenditure on: | | | |
| Charitable activities | 4 | 49,506 | 62,110 |
| Total Expenditure | | 49,506 | 62,110 |
| Net (expenditure)/income | | (845) | 32,868 |
| Reconciliation of funds: | | | |
| Brought forward | | 74,222 | 41,354 |
| Carried forward | | 73,377 | 74,222 |

The notes on pages 8 to 13 form an integral part of these financial statements.

HARROW YOUNG MUSICIANS
BALANCE SHEET AS AT 31ST AUGUST 2020

| | <u>Note</u> | 2020 £ | 2020 £ | 2019 £ | 2019 £ |
|-------------------------------------------------------|-------------|---------------|----------------------|---------------|----------------------|
| Current Assets: | | | | | |
| Debtors | 9 | 29,245 | | 27,278 | |
| Cash at bank and in hand | | <u>57,901</u> | | <u>66,833</u> | |
| | | | 87,146 | | 94,111 |
| Creditors: Amounts falling due within one year | 10 | | (13,769) | | (19,889) |
| Total net Assets | | | <u>73,377</u> | | <u>74,222</u> |
| Accumulated funds: | | | | | |
| Unrestricted income funds | 12 | <u>73,377</u> | | <u>74,222</u> | |
| Total funds | | | <u>73,377</u> | | <u>74,222</u> |

The directors and trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and no notice requiring an audit has been deposited under section 476 of the Act. The directors and trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Under the Companies Act 2006, on a voluntary basis, the trustees can amend the financial statements if they subsequently prove to be defective.

The financial statements were approved by the Board on 25 May 2021 and signed on its behalf.



Peter Aplin: Director and Trustee

Company number: 03333808

Charity number: 1066985

The notes on pages 8 to 13 form an integral part of these financial statements.

HARROW YOUNG MUSICIANS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2020

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

1.1 Basis of accounting

The financial statements have been prepared (a) under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts: and (b) in accordance with the Companies Act 2006, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2nd edition effective January 2019) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

They also include the results of the charity's operations which are described in the Directors' and Trustees' Report, all of which are continuing.

HYM meets the definition of a public benefit entity under FRS 102.

1.2 Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

1.3 Incoming Resources

Income from the company's various sources is shown gross with the associated costs included under 'Resources Expended'.

Unless otherwise stated, all grants, whether capital or revenue, are accounted for in the period in which they are receivable. No permanent endowments have been received in the year.

1.4 Government grant income

Government grant income relates to amounts receivable under the Coronavirus Job Retention Scheme and is recognised on an accrual basis and is recognised in the same period as the related salary costs for which the grant is intended to compensate.

1.5 Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly and costs of an indirect nature to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

HARROW YOUNG MUSICIANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2020

1. ACCOUNTING POLICIES (Continued)

1.6 Going concern

The financial statements have been prepared on a going concern basis. The trustees believe that despite the ongoing Covid-19 pandemic the company has enough reserves for at least 12 months from signing date of these accounts and the intention to restart the operations of the company once the pandemic passes.

1.7 Debtors

Debtors are recognised at settlement value.

1.8 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be reliably estimated. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt.

1.9 Taxation

The company is not liable to taxation being a registered charity.

1.10 Financial Instruments

The company has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and are then measured at amortised cost. Financial assets held at amortised cost comprise cash at bank and debtors. Financial liabilities held at amortised cost are creditors (including accruals).

1.11 Judgements

Preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported as assets and liabilities at the balance sheet date and the amounts reported as revenues and expenses during the year. Actual outcomes could differ from those estimates. No judgements made have had a significant effect on the amounts recognised in the financial statements.

2. VOLUNTARY INCOME

| | 2020 | 2019 |
|------------------------|--------------|---------------|
| | £ | £ |
| Donations | 4,923 | 7,697 |
| Legacies | - | 29,264 |
| Gift Aid tax refund | 4,789 | 6,620 |
| | <hr/> | <hr/> |
| Total voluntary income | <u>9,712</u> | <u>43,581</u> |

All voluntary income received in in the current and prior year was unrestricted.

HARROW YOUNG MUSICIANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2020

3. INCOME FROM CHARITABLE ACTIVITIES

| | 2020 | 2019 |
|-----------------------------|---------------|---------------|
| | £ | £ |
| Membership fees | 29,291 | 46,279 |
| Concert & refreshment sales | 1,894 | 5,008 |
| | <hr/> | <hr/> |
| Total voluntary income | <u>31,185</u> | <u>51,287</u> |

All income from charitable activities received in in the current and prior year was unrestricted.

4. TOTAL RESOURCES EXPENDED

| | Charitable expenditure 2020 £ | Governance 2020 £ | Total expenditure 2020 £ | Total expenditure 2019 £ |
|-----------------------------------------------|--------------------------------------------------|----------------------------------|---------------------------------------------|---------------------------------------------|
| Costs directly allocated to activities | | | | |
| Salaries and employers NIC | 22,100 | - | 22,100 | 26,418 |
| Conductors, tutors and admin fees | 15,028 | - | 15,028 | 20,655 |
| Student fees | 700 | - | 700 | 1,270 |
| Costs for Tour | 296 | - | 296 | - |
| Music costs | 1,153 | - | 1,153 | 1,196 |
| Concert costs | 400 | - | 400 | 2,658 |
| Saturday a.m. refreshments costs | 352 | - | 352 | 469 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 40,029 | - | 40,029 | 52,666 |
| Support costs allocated to activities | | | | |
| Premises costs | 5,000 | - | 5,000 | 5,000 |
| Insurance | 674 | - | 674 | 812 |
| Telephone | 312 | - | 312 | 805 |
| Independent examiners | - | 960 | 960 | 1,022 |
| Accounting software costs | 426 | - | 426 | 390 |
| Miscellaneous | 1,954 | - | 1,954 | 1,277 |
| Bank Charges | 151 | - | 151 | 138 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 8,517 | 960 | 9,477 | 9,444 |
| Total resources expended | <u>48,546</u> | <u>960</u> | <u>49,506</u> | <u>62,110</u> |

HARROW YOUNG MUSICIANS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2020

5. OPERATING SURPLUS/DEFICIT

| This is stated after charging | 2020 | 2019 |
|-------------------------------|---------------|---------------|
| | £ | £ |
| Employee costs (see note 6) | 22,100 | 26,418 |
| Independent Examination fee | 960 | 1,022 |
| Total | <u>23,060</u> | <u>27,440</u> |

6. ANALYSIS OF STAFF COSTS AND DIRECTOR REMUNERATION AND EXPENSES

| | 2020 | 2019 |
|-------------------|---------------|---------------|
| | £ | £ |
| Gross salaries | 22,100 | 26,750 |
| Employers NIC | - | (332) |
| Total staff costs | <u>22,100</u> | <u>26,418</u> |

There were no employees in receipt of emoluments greater than £60,000 (2019 - Nil).
Average number of staff during the year 1: (2019: 1)

7. RELATED PARTY TRANSACTIONS

The following reimbursed expenses were made to trustees and directors for charity expenditure:

| | 2020 | 2019 |
|----------------------|-------------|-------------|
| | £ | £ |
| Other support costs | - | 927 |
| Total reimbursements | <u>-</u> | <u>927</u> |

There were no trustees and directors reimbursed for expenses during the year (2019: 2 trustees and directors reimbursed).

8. INVESTMENT INCOME

| | 2020 | 2019 |
|--------------------------|-------------|-------------|
| | £ | £ |
| UK Bank interest - gross | 165 | 110 |
| Total | <u>165</u> | <u>110</u> |

HARROW YOUNG MUSICIANS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2020

9. DEBTORS

| | 2020 | 2019 |
|-----------------------|-------------|-------------|
| | £ | £ |
| Gift Aid tax refund | 20,206 | 26,650 |
| Fees | 1,300 | - |
| Tour costs refundable | 2,911 | - |
| Government grants | 1,200 | - |
| Prepayments | 3,628 | 628 |
| | <hr/> | <hr/> |
| Total | 29,245 | 27,278 |
| | <hr/> <hr/> | <hr/> <hr/> |

10. CREDITORS FALLING DUE WITHIN ONE YEAR

| | 2020 | 2019 |
|------------------------------|-------------|-------------|
| | £ | £ |
| Taxation and social security | 1,620 | 6,311 |
| Other creditors | 6,126 | 390 |
| Accruals (note 11) | 6,023 | 13,188 |
| | <hr/> | <hr/> |
| Total | 13,769 | 19,889 |
| | <hr/> <hr/> | <hr/> <hr/> |

11. ACCRUALS

| | 2020 | 2019 |
|-------------------------|-------------|-------------|
| | £ | £ |
| Premises | 5,000 | 5,000 |
| Independent examination | 1,000 | 1,000 |
| Salaries | - | 6,500 |
| Conductors fees | - | 600 |
| Other costs | 23 | 88 |
| | <hr/> | <hr/> |
| Total | 6,023 | 13,188 |
| | <hr/> <hr/> | <hr/> <hr/> |

12. MOVEMENTS IN FUNDS

| | 1st September 2019 | Incoming resources £ | Outgoing resources £ | Transfers £ | 31st August 2020 £ |
|--------------------|------------------------------------------|-------------------------------------|-------------------------------------|------------------------|----------------------------------------------|
| Unrestricted Funds | | | | | |
| General funds | 74,222 | 48,662 | (49,506) | - | 73,377 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 74,222 | 48,662 | (49,506) | - | 73,377 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| Total Funds | 74,222 | 48,662 | (49,506) | - | 73,377 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

HARROW YOUNG MUSICIANS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2020

13. POST BALANCE SHEET EVENTS

HYM has restarted on 12 May 2021. This has resulted in additional costs associated to the restart and a switch from Saturday rehearsals to Wednesday evenings due to availability of premises. Despite these factors, and also the continued uncertainty of further restrictions related to the Coronavirus pandemic, the trustees believe there are sufficient funds to support the operation of HYM for a least one year from the date of signing of these financial statements. The trustees therefore believe there is no material uncertainty in the use of the going concern assumption in preparing these financial statements.