

Registered Charity No: 1090623

Company No: 04218180

**RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2021

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED

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RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2021

COMPANY INFORMATION

Directors	Mrs R Clarke
	Dr H Dodman
	Mrs S Griffin
	Ms J Harnden
	Cllr J Humphreys
	Mrs A Letch
	Lady C Panufnik
	Mr A Price
	Ms E Rowley
	Mr P Willan
Secretary	Miss C Peirson
Company Number	04218180
Registered Charity Number	1090623
Registered Office	7 Briar Road Twickenham Middlesex TW2 6RB
Auditors	Haines Watts Farnborough (2020) LLP 30 Camp Road Farnborough Hampshire GU14 6EW

Richmond upon Thames Music Trust Company Limited

Report of the Directors for the year ending 31 March 2021

The Directors of Richmond Music Trust Company Limited (RMT) present their report and the financial statements for the year ended 31 March 2021. The Directors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

Administrative information in respect of the charity can be found on the company information page.

Governing Instrument

RMT's charitable objects are regulated by its Memorandum and Articles of Association dated 16 May 2001 and updated 24 January 2002 and is constituted as an incorporated body.

Objectives

The principal objective of RMT is to provide musical opportunities of the highest standard for young people and others in and around the London Borough of Richmond upon Thames.

Aims

The aim of RMT is to be the main provider and key contributor of musical opportunities within the borough, transforming individuals and the community through:

- high quality music tuition
- exciting and innovative large-scale events and performances
- provision of and support for group work in choirs, bands, orchestras and chamber ensembles
- powerful and effective music therapy for children and adults
- comprehensive training and development

thereby utilising music as a vehicle to enrich and enhance the education, health and quality of life of RMT clientele.

Structure and Governance

The Chief Executive, Caroline Peirson, is responsible for the day to day running of the charity and reports to the Board of Directors who oversee and approve strategic and financial plans. The CEO is assisted by the Development Director, Development Manager (Vocal), and Head of Music Therapy. Together they co-ordinate the work of two administrative staff, six Team Leaders, one Lead Teacher and specialist teams of Associate Teachers and Music Therapists.

Going Concern

The statement of financial position shows an overall net liability position. This year end liability includes the Local Government Pension Scheme deficit of £808,000. It is unlikely that this deficit will be eliminated in the foreseeable future. The impact of increased pension costs in the future is a matter that the directors will continue to keep under review. The day to day working capital requirements are met from the income received.

Richmond upon Thames Music Trust Company Limited

Report of the Directors for the year ending 31 March 2021 (continued)

The Directors have a reasonable expectation that RMT has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis for accounting in preparing the annual financial statements.

Directors

The following Directors have held office during the year:

Mrs R Clarke

Dr H Dodman (S) (R)

Mrs S Griffin (F) (R)

Ms J Harnden (R)

Cllr A Juriansz (F)

Mrs A Letch (S)

Lady C Panufnik

Mr A Price

Mrs C Purdy (Deputy Chair, resigned 19 November 2020) (S) (R)

Ms E Rowley

Mr P Willan (Chair) (S) (F) (R)

(F) Funding Sub-committee

(S) Safeguarding Sub-committee

(R) Remuneration & Appointments Sub-committee

Directors and Method of Appointment

The Directors who are also the Trustees, are elected at the AGM or may be appointed during the year by the Board with election at the following AGM. The candidature of people with skills, experience and/or interests relevant to the charitable companies' activities is encouraged through local organisations and existing contacts. A skills matrix was developed and adopted during the financial year 2017/18 to help ensure the Board has the right blend of skills, knowledge and experience to support the executive team and provide the necessary scrutiny and strong governance. All new Board members are given induction training which includes learning about the background, ethos and day to day activities of the charitable company as well as outlining their responsibilities. Formal arrangements are supplemented by opportunities to meet staff and to attend events and/or classes to ensure Directors have an overview of the workings of RMT.

Staffing

The organisation is committed to a policy of equal opportunities in its employment practices. All members of staff having contact with children must be cleared through the Disclosure and Barring

Richmond upon Thames Music Trust Company Limited

Report of the Directors for the year ending 31 March 2021 (continued)

Service (DBS). RMT has safeguarding policies in place with all teachers undertaking Level 2 Safeguarding Training, renewed within a three-year cycle. Music Therapists receive Level 3 training.

Caroline Peirson was appointed CEO on 1 June 2020, coming from her previous role of Acting CEO following Aileen Douthwaite's departure in September 2019. Caroline headed a team of six core staff, four part-time Team Leaders, three part-time Lead Teachers, eighty-five Associate Teachers and twenty Music Therapists.

Organisation

The Directors determine the organisation's strategy and consider and approve proposals for new policies or variations on existing policies. Annual budgets, business and development plans are subject to Board approval. The Board appoints the CEO and the Company Secretary. The Board met online four times during the year.

The Safeguarding sub-committee meets annually to review any issues arising during the year and to review safeguarding policy and procedures, reporting back to the full Board. It also meets when an individual issue requires more detailed scrutiny and/or immediate action. The Funding sub-committee scrutinizes the funding of the organization and considers future funding and fundraising opportunities. The Remuneration and Appointments sub-committee meets to consider remuneration policy and senior staff appointments.

Review of the year and plans for the future

Funding

Arts Council England

As lead organisation for the local Music Education Hub, Richmond Music Trust (RMT) continues to fully implement the National Plan for Music Education (NPME), undertaking all the core and extension roles as detailed in the plan. A strong and mutually supportive relationship continues with Arts Council England (ACE) who distribute funding on behalf of the Department for Education (DfE). A significant amount of background information and statistical data relating to the NPME is provided to ACE on a regular basis to secure release of grant payments. The seventh Annual feedback letter was received from ACE in January, 2021. The letter assessed progress during the academic year 2019/20 and proposed the level of contact for the academic year 2020/21. A number of strengths were identified:

- *"Although Covid 19 has clearly had a major impact on all activity since March 2020 ..., RMT has acted swiftly to introduce an online offer which has been taken up by a good number of schools and in general has responded proactively to the situation."*
- *"Other than the serious and unknown ongoing situation regarding the C-19 pandemic, RMT continues to perform very well and delivers the core and extension roles of the NPME to the almost every school in the borough."*

Richmond upon Thames Music Trust Company Limited

Report of the Directors for the year ending 31 March 2021 (continued)

- *“Statistics again show that RMT is delivering above national averages across all areas of its delivery”*
- *“RMT’s business model and its handling of C-19 together with its substantial coverage has meant it has coped well to withstand the year financially”*
- *“It is clear RMT has up-to-date and extensive knowledge of schools in the borough and a very good level of communication with head teachers and music staff.”*
- *“RMT is working with a good number of partners and has expanded the partner organisations it is working with”*
- *“RMT continues to demonstrate effective governance and management with a high level of support from a committed board”*

(RMT Feedback letter, Arts Council England, Jan 2021)

ACE assesses the level of risk attached to the allocated DfE funding –RMT is judged at minor risk and a corresponding level of monitoring and contact during the academic year 2021/22 was agreed.

LB Richmond upon Thames Council Grant (via Achieving for Children)

RMT continues to benefit from an annual grant from Richmond Council through Achieving for Children, and the Trustees are extremely grateful for the Borough’s ongoing support. The grant is integral to maintaining the breadth and quality of provision that has been developed over the last 25 years. It is also vital for the support of disadvantaged families, ensuring children who are likely to miss out have the same opportunities that are available to others.

Charitable Funds and Remission Scheme

Over 170 children and young people benefited from the remission scheme this year. Although this is a slight reduction in number from the previous year it represents a small increase in the percentage of those receiving tuition overall, from approx. 10% in 2019/20 to 13% in 2020/21. This is likely due to changes in family’s financial circumstances that have been created by the pandemic. RMT remains deeply grateful to the Hampton Fund, Richmond Parish Lands Charity and the Barnes Fund for their support of this scheme which, alongside additional funding from RMT, ensures that children from families in financial difficulty do not miss out and are able to participate in instrumental/vocal tuition and to enjoy the significant benefits of music-making. This year we were again very pleased to receive an additional donation from The Art’s Society Richmond towards the scheme.

Mandy Lee Scholarship Fund

The fund was established in 2014 in memory of Mrs Mandy Lee, the wife of Michael Lee, an RMT piano teacher. With criteria for the fund including musical aptitude and financial need, four scholars have been supported by the scheme this year, receiving financial help with tuition fees, ensemble membership, and, in some cases, with other musical activities including exams and holiday courses.

London Music Fund

Trustees are also grateful to the London Music Fund for providing financial support for two LMF scholars who are progressing well.

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Report of the Directors for the year ending 31 March 2021 (continued)

Operations

Music Makers

RMT's provision for Year 1 pupils continues to offer a preparatory course for children intending to start learning to play an instrument. It offers a wide range of musical activities for young children and provides an invaluable preparation for those starting instrumental tuition in Year 2. Unfortunately due to Covid-19 the Music Makers programme had to be suspended during the Summer Term 2020 when schools were closed. A limited number of sessions were then restarted in the Autumn Term, but were again suspended in January 2021. RMT was able to resume sessions in April 2021, and look forward to further expanding the roll-out during the next academic year.

First Access to Music

Up until the pandemic took hold in March 2020, the Trust's four term Whole Class Ensemble Tuition (WCET) programme was taking place in 90% of borough primary schools. The four-term programme includes an introductory term of vocal work followed by a term of whole-class instrumental learning. Children can then choose to continue learning in large groups for two more terms. This Transition Stage, leads on to RMT's standard small group tuition. The first two terms of whole-class tuition are free to schools. A small per-pupil charge is made for those continuing to the large group stage, which is usually passed on to parents. The continuation rate is on average around 16%. The programme ensures all children experience learning a musical instrument, and is particularly valuable for those schools that find it more difficult to sustain a programme of small group and individual instrumental tuition funded by parents.

Sadly, school closures from March 2020 meant that children were unable to participate in the programme and missed out on what for many, might be their only opportunity to discover their talent and aptitude for music.

Limited WCET provision (strings and singing) re-started from September 2020 with an adapted programme of weekly rotated classes to avoid sharing instruments on the same day. The vocal stage restarted in a limited number of schools with shorter sessions and groups of up to 15. WCET for wind and brass was delayed with schools limiting the amount of woodwind and brass tuition taking place onsite, often due to the lack of a large enough space for sessions to resume with the required distancing.

With the re-introduction of lockdown restrictions and school closures in January 2021, all WCET activity was again cancelled, not restarting again until September 2021.

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Report of the Directors for the year ending 31 March 2021 (continued)

Standard Tuition

1525 pupils were “on-course” and receiving small group or individual instrumental and vocal tuition at the start of the new academic year (Autumn 2020). The decrease in student numbers when compared to the Autumn 2019 figure (2459) was directly as a result of the pandemic, with all face-to-face tuition being suspended in March 2020. An online tuition model was put in place in the Summer Term, with an initial 50% take up, and a number of online events were created to stay connected with pupils, parents and schools. Following the confirmation that schools would fully re-open in September, RMT distributed a School Survey in order to get a clearer idea of what schools were initially planning for in September, and what provision could restart in the Autumn Term 2020. On the basis of this information RMT developed a mixed model of delivery (face-to-face/online/individual/group), with a choice of 3 different options which could be implemented on the basis of individual school requirements. Face-to-face tuition was restarted in 34 schools (28 Primary, 4 Secondary, 2 Special needs).

Following confirmation of another Lockdown from the beginning of January all tuition then transferred back online for the Spring Term 2021. Face-to-face tuition has now resumed and we are working with schools and teachers to rebuild timetables and increase student numbers.

Examinations

All face-to-face exams were cancelled throughout 2020/21 with online alternatives offered by most exam boards. With the usual centrally organized, Briar Road exam sessions no longer possible, many RMT teachers continued to support individual students through online exam entry, preparing pieces and the supporting tests in their weekly online lessons.

As well as ABRSM and Trinity College of Music exams, many RMT students continue to be entered for Registry of Guitar Tutors exams, Trinity Rock and Pop exams and Rock School exams.

Instrument Hire Scheme

RMT maintains an instrument hire scheme helping children access a range of instruments. Free instrument loan is provided for children from families eligible for the remission scheme (subject to availability). A whole-class set of instruments is also provided and maintained in every KS2 school for the four term Whole Class Ensemble Tuition (WCET) programme. All children continuing to the Transition Stage are provided with free instrument loan for the final two terms of the programme. With the majority of WCET instruments originally purchased well over 10 years ago, many are now in need of repair or replacement. Moving forward RMT will be looking into funding opportunities to help with this.

During the pandemic, management of RMT instruments was given careful consideration and schools with RMT instruments were provided with information and advice. Activities that might include the possibility of the virus being spread through instrument use were identified and preventative measures put in place. No new instrument loans were made. Whole-class instrumental sessions were cancelled with RMT instruments remaining stored in schools.

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Report of the Directors for the year ending 31 March 2021 (continued)

Website

Work on the new website was completed during the year. RMT's online presence is vital to ensure information about our services reach the local community and are communicated more widely. The new site is visually more appealing, more accessible and easier to navigate for visitors. Information has been updated and expanded. Signing up to RMT services remains a core function of the site and application processes have been simplified and improved.

Staff Training and Development

With face-to-face meetings cancelled, all staff meetings and Inset took place online. Discussions inevitably focussed on timetable and lesson management in light of new CV-19 measures/procedures. Staff were closely supported and guided through all aspects of establishing online work, including safe online working and maintaining all necessary Health and Safety and Safeguarding procedures. A programme of lesson monitoring was put in place to ensure standards were maintained.

The information and support provided to staff enabled a swift transition to online working. Disruption was minimised and many students experienced little or no interruption to their tuition.

Support for Schools

RMT continued to provide additional advice and support to schools as and when required, on a wide range of musical issues.

A special Primary music co-ordinators meeting 'Let's talk about singing' took place in November 2020, as it became clear that there were a number of different approaches to singing across the Borough. The meeting highlighted the potential role of music and particularly singing, in helping children process and understand the pandemic, and provided an opportunity to support school staff by bringing them together to share information and ideas and address concerns about singing safely.

Events

All live performances and events were cancelled from March 2020 when restrictions were introduced. The Primary Singing Festival, usually over two days, four performances and involving 2000 children, had been pencilled in for March 2021 (following cancellation of the March 2020 event) but unfortunately it was not possible for this to go ahead.

A wide range of online activities were offered in order to keep students engaged. As well as providing a focus for learning and enjoyment for individuals, it was also a way of bringing people together and staying connected, at a time when there is a danger of feeling isolated. A large number of families took part in our Moment of Truth Sing Along (June 2020) where pupils came together to sing one of the songs they had been preparing for that year's Singing Festival.

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Report of the Directors for the year ending 31 March 2021 (continued)

RMT also ran The Living Room Sessions which took place weekly during the Summer Term 2020, giving RMT students from across the Borough the opportunity to share performances of pieces/songs they have been working on during the term.

Planning for instrumental events will be focussed on the new academic year (2021/22), with a number of initial smaller performances during the Summer Term 2021.

Partnerships

The European Youth Orchestra Project

Unfortunately, due to CV-19, plans for a weekend of celebrations in Richmond in June 2020 had to be cancelled. The celebrations were to mark the reaffirmation of the twinning between Richmond, Fontainebleau and Konstanz and included a joint orchestral concert at The Hammond Theatre, Hampton School. The reaffirmation will now take place in 2025.

South West London Music Education Partnership

The partnership between the seven boroughs of Richmond, Merton, Wandsworth, Hounslow, Kingston, Sutton and Croydon meets formally three times a year and has delivered a variety of collaborative initiatives for the South west London area. Regular online meetings continued throughout the pandemic and provided a valuable forum for the exchange of information and ideas between Music service leaders during a very challenging period of uncertainty.

Courses

Courses remain an important strand of RMT work, bringing young musicians together to create and make music. All 2020/21 courses were unfortunately cancelled due to the pandemic.

Music Centres

Music centres were closed during the Summer Term 2020. However, we were extremely keen to get pupils back rehearsing and playing together in groups. Restarting RMT ensembles was a priority and rehearsals re-commenced in September 2020. Music Centre tuition remained online in order to minimise the number of pupils onsite, and additional, stringent procedures were put in place to ensure that music centre rehearsal sessions could run safely, and in line with DfE/DCMS guidance.

Additional out of school instrumental tuition took place in Briar Road on three evenings during the week and on a Saturdays when face-to-face tuition was permitted.

Centres were again forced to close in the Spring term 2021.

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Report of the Directors for the year ending 31 March 2021 (continued)

Senior Ensembles

With Music Centres closed during the Summer term 2020, new ways of performing and playing together online were developed. Opportunities for our young musicians to continue playing with and to others, included the very successful and popular Living Room Sessions and numerous virtual ensemble performances, especially from the RMT Jazz Band.

As mentioned above, ensemble rehearsals resumed for a short time during the Autumn term 2020, with group sizes being limited.

Music Therapy

CV-19 has had a significant impact on the Music Therapy (MT) department with many of our vulnerable clients being at high risk of serious infection from the virus. Following lockdown and the suspension of all face-to-face music therapy sessions from March 2020, it was decided to make use of the Government's Job Retention Scheme and furlough the majority of MT staff. However, a small team of therapists, led by the Head of MT, was established to develop and set-up an online music therapy service.

Successful bids to the Paul and Nick Harvey Fund, the National Lottery Community Fund and the LBRuT Coronavirus Emergency Support Fund provided additional funding to help develop the online support, stay engaged with clients during such a critical time, and to help re-establish sessions as restrictions lifted.

With the success of the vaccine roll-out and following the development of an appropriate policy framework (including stringent social distancing and infection control measures), face-to-face sessions have now resumed at our therapy studio in Twickenham, as well as on an outreach basis in clients' homes. Online provision continues to develop alongside this, with an increasing number of clients re-engaging with therapy in the new online format.

RMT continues to work with its partners, including Hounslow Social Services and Momentum, using a blend of online and face-to-face delivery, which ensures that clients in the 'extremely vulnerable' category are still able to access therapy.

Although still cautious, our clients are slowly increasing in confidence as restrictions are lifted. RMT music therapists are embracing the new blend of online and face-to-face sessions, re-engaging with their existing clients and starting new work. The pandemic showed again how highly valued and necessary the work of our MT Department is, and the important part these sessions play in the lives of our clients.

Richmond upon Thames Music Trust Company Limited

Report of the Directors for the year ending 31 March 2021 (continued)

Impact of CV-19 and Future Plans

With the successful roll-out of the vaccine and the worst of the pandemic seemingly behind us, RMT can look back on having navigated an extremely challenging period and emerging perhaps as well as could have been expected. Certainly, planned for worst-case scenarios have not yet unfolded and the RMT business model held up under an unprecedented challenge. Initial revised financial and operational projections were surprisingly accurate as the year unfolded, showing severely impacted income being matched with a similar reduction in staffing expenditure.

Protecting RMT staff and mitigating the potentially catastrophic effects of a sudden drop in their income was a priority from the outset. Keeping staff informed was key, particularly supporting the move to online tuition and the potential that this offered. All RMT teachers undertook online working, with many staff teaching a significant number of students each week. Along with RMT therapists, a small number of teachers whose work was mainly WCET, were furloughed. Although this was undoubtedly a very difficult time for many RMT teachers, every effort was made to provide support and ensure staff continued to work through the pandemic.

All areas of provision are now operational with an initial target of returning to pre-pandemic student numbers. Demand remains strong in many areas, however Music Centres and ensembles have been particularly affected, with older students leaving and no recruitment activity for two years.

Development work is under way in these areas, with longer term plans for recruitment and growth in place.

RMT has retained a skilled and committed workforce, and the relationship with students, parents, clients, schools and the community remains strong. Operationally and financially RMT is in a strong position to quickly recover to pre-pandemic levels of provision and to continue to further develop the quality and reach of our services.

Financial Review

Operating Deficit/Surplus

The Directors are pleased to report that, despite the imposed reduction of RMT's services during the pandemic, an operating surplus of £38,693 was achieved, compared to the operating deficit of £23,773 at the end of the previous year. This operating surplus is before taking into account an increase in the pension liability of £28,000 (2020: £50,000) which results in the net income figure of £10,693 (2020: net expenditure £73,773) being reported in the financial statements. There was a decrease in income to £1,277,637 from £1,762,124 in 2020, as a result of reduced provision.

Richmond upon Thames Music Trust Company Limited

Report of the Directors for the year ending 31 March 2021 (continued)

Total expenditure also decreased to £1,266,944 from £1,835,897 in 2020. Total assets less current liabilities (excluding pension liabilities) increased by £38,693 to £311,107 from £272,414 in the previous year. Restricted funds at the year-end were £7,184 (2020: £9,286), unrestricted funds a deficit of £504,077 (2020: deficit of £360,872) and total funds a deficit of £496,893 (2020: a deficit of £351,586).

Although the operating surplus/deficit is regarded as a meaningful financial performance measure, in order to comply with accounting standards, liability relating to the Local Government (defined benefit) Pension Scheme for administrative staff is also reported. Liability is recognised as the benefits are earned, not when they are due to be paid and accordingly an estimate of the liabilities accrued for the period is provided by the scheme's actuary (see notes to the financial statements for details). The total value of the pension scheme liability at 31 March 2021 is £808,000 (2020: £624,000).

Reserves policy

It is the policy of RMT to continue to seek to maintain free reserves of the charity, excluding the defined benefit pension scheme liability, at a level which equates to a minimum of one month's unrestricted expenditure while building reserves towards the prudent amount of three months as recommended by the Charity Commission. These reserves are to provide sufficient funds to cover management, administration and operational costs over the stated period and for the purchase of necessary equipment and any other unforeseen capital costs. In spite of CV-19, RMT increased free reserves at 31 March 2021 to £303,923 (2020: £263,128). Average one month's unrestricted expenditure decreased to £98,037 (2020: £145,254) so that free reserves covered approximately 3.1 months of unrestricted expenditure (2020: 1.8). As activities return to more normal levels expenditure will increase and reserves cover will likely reduce. But RMT will work towards reserve levels of three months cover over the longer term.

UK General Data Protection Regulation (GDPR)

Work continues to be carried out to ensure compliance with the UK GDPR. The RMT Data Protection Policy continues to be reviewed on an annual basis. The Policy shows RMT's commitment to the principles when collecting, processing and storing personal data and informs all RMT data handling procedures.

The RMT Privacy Notice, approved by the Board in 2017, is reviewed on an annual basis. The Privacy Notice continues to appear whenever users apply for RMT services or provide information to RMT online.

Further IT updates have been carried out to enhance the security of the RMT data system from any external cyber-attacks. These go beyond the level of security required in the Cyber Essentials certification which is processed on an annual basis. RMT will continue to work with our IT provider, Minerva, to ensure any additional measures required are put in place to continue to comply with UK GDPR.

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Report of the Directors for the year ending 31 March 2021 (continued)

Risk Management

As required by the Charity Commission, the Directors undertake regular reviews of the significant risks to which RMT is exposed and ensure that mitigation policies are in place. A risk register exists and is updated regularly.

The key risk that RMT has identified is the inability to secure or sustain current level funding. A number of lower priority risks have also been identified and procedures have been implemented which minimize these identified risks. The Board regularly discusses aspects of the operations to understand and manage the risk it faces.

Relationships with other organisations

As lead organisation of the local Music Education Hub, RMT is keen to form partnerships with other organisations that offer specialist support and contribute to the breadth and quality of provision. Existing partners include M:Tech, Slipway Studios, Kingston Music Service and the South West London Music Education Partnership. The Music Therapy department engages with a range of partners that refer clients to RMT. We actively seek and welcome new partners who might improve, enhance or broaden our provision.

Funders are another group who have a continuing interest in RMT's performance and its use of resources. They include Arts Council England, LBRuT, Hampton Fund, Richmond Parish Lands Charity and Barnes Fund, alongside recent support from The Art's Society Richmond. We are also supported by donations from individuals. To all of them, the Directors give their thanks on behalf of the most important stakeholders, the young people, to whom we continue to provide musical opportunities.

Charitable Activities

Music provision: the aim of RMT is to be able to offer music tuition to all children of school age within the borough. RMT aims to provide music tuition as and when requested. However, this is not always immediately possible therefore waiting lists are created. Waiting lists are closely monitored and pupils are offered places as soon as tuition becomes available. Additional teachers are engaged to increase capacity where appropriate. There are currently 45 primary schools, 11 secondary and 3 Special Educational Needs schools within the Borough. The Trust is music provider for almost all borough grant maintained schools.

Planning and Development

The Annual budget is presented by the Executive for Board approval. Alongside stringent budget monitoring procedures, indicators are used to measure performance. These include pupil numbers, waiting lists, the quality of teaching and learning and feedback from stakeholders.

Richmond upon Thames Music Trust Company Limited

Report of the Directors for the year ending 31 March 2021 (continued)

Public Benefit

The Directors confirm that they have paid due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charitable Company. The Charity

Commission, in its “Charities and public benefit” guidance, states that there are two key principles to be met in order to show that an organisation’s aims are for the public benefit: firstly, there must be an identifiable benefit and, secondly, that the benefit must be to the public or a section of the public. The Directors are satisfied that both these key principles are met by the operation and achievements of the Charitable Company.

Directors’ responsibilities

Charity law and Company law require the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors have been required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) observe the methods and principles in the Charities SORP 2019 (FRS 102);
- (c) make judgements and estimates that are reasonable and prudent;
- (d) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- (e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

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

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company’s auditor is unaware; and
- the Directors 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.

Richmond upon Thames Music Trust Company Limited

Report of the Directors for the year ending 31 March 2021 (continued)

The Directors 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 legislation in other jurisdictions.

This report was approved by the Directors on

Signed (Chair)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE RICHMOND UPON THAMES MUSIC TRUST COMPANY
FOR THE YEAR ENDED 31 MARCH 2021**

We have audited the financial statements of Richmond Upon Thames Music Trust Company Limited for the year ended 31 March 2021 set out on pages 20 to 45. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2021 and of its 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Directors' view on the impact of COVID-19 is disclosed on the Directors' report and the going concern accounting policy.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE RICHMOND UPON THAMES MUSIC TRUST COMPANY
FOR THE YEAR ENDED 31 MARCH 2021 – (CONTINUED)**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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.

Opinion 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE RICHMOND UPON THAMES MUSIC TRUST COMPANY
FOR THE YEAR ENDED 31 MARCH 2021 – (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

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 Auditors' 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.

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates, and considered the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud. We discussed with the Trustees the policies and procedures in place regarding compliance with laws and regulations. We discussed amongst the audit team the identified laws and regulations, and remained alert to any indications of non compliance.

During the audit we focussed on laws and regulations which could reasonably be expected to give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and Charities Act 2011. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management.

Our procedures in relation to fraud included but were not limited to: inquires of management whether they have any knowledge of any actual, suspected or alleged fraud, and discussions amongst the audit team regarding risk of fraud such as opportunities for fraudulent manipulation of financial statements. We determined that the principal risks related to posting manual journal entries to manipulate financial performance and management bias through judgements in accounting estimates. We also addressed

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE RICHMOND UPON THAMES MUSIC TRUST COMPANY
FOR THE YEAR ENDED 31 MARCH 2021 – (CONTUNUED)**

the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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 auditors' 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.

Jane Wills (Senior Statutory Auditor)
for and on behalf of Haines Watts Farnborough (2020) LLP

.....

Chartered Accountants
Statutory Auditor

30 Camp Road
Farnborough
Hampshire
GU14 6EW

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds 2021 (£)	Restricted Funds 2021 (£)	Total Funds 2021 (£)	Total Funds 2020 (£)
Income from:					
Income from grants and donations	2	353,328	60,250	413,578	370,029
Income from investments	3	137	154	291	667
Income from charitable activities	2	793,522	-	793,522	1,388,957
Other incoming resources		70,246	-	70,246	2,471
Total income		1,217,233	60,404	1,277,637	1,762,124
Expenditure on:					
Raising funds	4	68,881	-	68,881	73,191
Charitable activities	4	1,114,757	62,506	1,177,263	1,741,906
Governance costs	6	20,800	-	20,800	20,800
Total expenditure		1,204,438	62,506	1,266,944	1,835,897
Net income/(expenditure)		12,795	(2,102)	10,693	(73,773)
Other recognised gains/(losses)					
(Loss)/gain on defined benefit pension schemes	18	(156,000)	-	(156,000)	114,000
Net movement in funds		(143,205)	(2,102)	(145,307)	40,227
Reconciliation of funds					
Total funds brought forward	16	(360,872)	9,286	(351,586)	(391,813)
Total funds carried forward	16	(504,077)	7,184	(496,893)	(351,586)

The Statement of Financial Activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

		2021		2020	
		£	£	£	£
	Notes				
Fixed Assets					
Tangible assets	10		3,372		3,878
Current Assets					
Debtors	11	95,321		184,416	
Cash at bank and in hand		<u>245,723</u>		<u>167,090</u>	
		341,044		351,506	
Creditors: amounts falling due within one year	12	<u>(33,309)</u>		<u>(82,970)</u>	
Net Current Assets			<u>307,735</u>		<u>268,536</u>
Total assets less current liabilities excluding pension liability			311,107		272,414
Defined benefit pension scheme liability	14		<u>(808,000)</u>		<u>(624,000)</u>
Net (liabilities)			<u>(496,893)</u>		<u>(351,586)</u>
The funds of the charity:					
Restricted funds	16		7,184		9,286
Unrestricted funds	16		<u>(504,077)</u>		<u>(360,872)</u>
Total funds	16		<u>(496,893)</u>		<u>(351,586)</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

The financial statements were approved by the Board on and signed on its behalf by:

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Mr P Willan

Director

Registered Charity No: 1090623

Company No: 04218180

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

		2021	2020
		£	£
	Notes		
Cash flow from operating activities	21	79,428	(110,111)
Net cash flow from operating activities		<u>79,428</u>	<u>(110,111)</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(1,086)	(3,999)
Interest received		<u>291</u>	<u>667</u>
Net cash flow from investing activities		<u>(795)</u>	<u>(3,332)</u>
Cash flow from financing activities			-
Net increase/(decrease) in cash and cash equivalents		78,633	(113,443)
Cash and cash equivalents at 1 April 2020		<u>167,090</u>	<u>280,533</u>
Cash and cash equivalents at 31 March 2021		<u><u>245,723</u></u>	<u><u>167,090</u></u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		<u>245,723</u>	<u>167,090</u>
Cash and cash equivalents at 31 March 2021		<u><u>245,723</u></u>	<u><u>167,090</u></u>

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting Policies

General information

Richmond Upon Thames Music Trust Company Limited is a company limited by guarantee in England and Wales. In the event of the Charitable Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charitable Company. The address of the registered office is; 7 Briar Road, Twickenham, Middlesex, TW2 6RB. The nature of the charity's operations and principal activities are to provide musical opportunities of the highest standard for young people and others in and around the London Borough of Richmond upon Thames.

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Companies Act 2006 and UK Generally Accepted Practice.

1.1 Basis of preparation of financial statements

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The presentation currency is pounds Sterling and amounts are rounded to the nearest pound, except for transactions and balances relating to the defined benefit pension scheme which are rounded to the nearest thousand pounds.

1.2 Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting Policies (continued)

1.2 Income recognition (continued)

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Income from charitable activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. If necessary, any element relating to future accounting periods is deferred.

The charity receives government grants in respect of music education. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Tuition fee income is stated net of refunds and examination fees and the income is recognised in the period to which the tuition relates.

Music therapy income is recognised in the period in which the service is provided.

Investment and other income are accounted for on a receivable basis.

1.3 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs.

Cost of raising funds:	Includes all of the costs incurred in generating voluntary income.
Costs of charitable activities:	Comprises services, supplies and activities undertaken which directly support the Charity's objectives. 95% of the office costs are estimated to have been in relation to charitable activities and 5% relating to costs of generating voluntary income of the company.
Governance costs:	Includes those costs incurred in connection with enabling the charity to comply with external regulation, constitutional and statutory requirements and in providing support to the Directors in the discharge of their statutory duties.

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting Policies (continued)

1.4 Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises and other overheads have been allocated on an accruals basis.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 5.

1.5 Tangible fixed assets and depreciation

Fixed assets for Charitable Company's use are capitalised at cost, where acquired, or at market value, as determined by the Directors, where donated. Fixed assets costing in excess of £250 are capitalised on the balance sheet and are included in the financial statements at cost/market value less depreciation.

Depreciation is calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Musical Instruments	33% per annum straight line
Office equipment	33% per annum straight line
Fixtures, fittings & equipment	20% per annum straight line

A full year's depreciation is charged in the year of acquisition and none in the year of disposal.

1.6 Financial Assets

The Charitable Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the Charitable Company's statement of financial position when the Charitable Company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting Policies (continued)

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through profit or loss are measured at fair value.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivable'.

Impairment of financial assets

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.7 Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

Other financial liabilities

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Charitable Company's obligations are discharged, cancelled, or they expire.

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting Policies (continued)

1.8 Cash at bank

Cash and cash equivalents include petty cash, cash held in current accounts and fixed term deposit accounts with a short-term maturity of twelve months.

1.9 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

1.10 Leasing

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

1.11 Fund accounting

Unrestricted funds are comprised of the general reserve. The general reserve is the accumulation of surpluses and deficits and is available for use at the discretion of the Directors in furtherance of the Charitable Company's general charitable objectives.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by the donors. The use of each restricted fund is set out in the notes to the financial statements.

1.12 Employee benefits

The cost of short term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting Policies (continued)

1.13 Pensions

The Charitable Company operates two defined benefit pension schemes for the benefit of its employees.

One of these schemes 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. Retirement and other pension benefits are paid by public funds provided by Parliament

For the other defined benefit schemes, the pension costs are assessed using the projected unit credit method, the cost of providing pensions is charged to the profit and loss account so as to spread the regular costs over the service lives of employees. The pension obligation is measured at the present value of the estimated future cash flows using interest rates on government securities that have terms to maturity approximating the terms of the related liability.

When the benefits of a scheme are improved, past service costs is recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately, following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised as an expense immediately.

1.14 Use of Judgements and Estimates

In preparing these financial statements, the Directors have made judgements, estimates and assumptions that affect the application of the Charitable Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The items in the financial statements where these judgements and estimates have been made include:

Debtor Recoverability

The Directors have reviewed the year-end balances in respect of trade debtors due in less than one year and consider that all amounts are fully recoverable and that no further adjustment is required.

Useful lives and residual value of fixed assets

The Directors have reviewed the useful lives and residual values of fixed assets as detailed in note 10 and consider that no adjustment is required.

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting Policies (continued)

1.15 Going concern

The statement of financial position shows an overall net liability position at 31 March 2021, however this is after the defined pension scheme liability of £808,000 has been accounted for. This pension deficit is in respect of the local government pension scheme (see note 18). It is unlikely that this deficit will be eliminated in the foreseeable future. The impact of increased pension costs in the future is something that the trustees will need to consider in due course.

The Charitable Company meets its day to day working capital requirements through government grants and tuition fee income. There is some uncertainty concerning future income from some of these grant-making bodies, but the Directors are pursuing new sources of income. Although the pandemic has been an extremely challenging period, the Charitable Company has demonstrated it has a robust business model and with careful management of overall costs has put itself in a strong and stable position from which to move forward. The Charitable Company is now making a steady return to normal levels of provision, with student numbers already increased to 80% of pre-Covid levels.

The Directors consider that it is appropriate to prepare the financial statements on a going concern basis, as they expect the Charitable Company to be able to conduct its activities within the facilities made available for a period of at least twelve months from the date of signing the accounts. Furthermore, budgets are prepared and carefully monitored by the Directors who meet to discuss these regularly throughout the year.

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

2 Income

Income from grants and donations	2021	2020
	£	£
Standards Fund Grant/MEG	247,747	245,868
LBRUT Grant	48,000	48,000
Arts Council TPS Grant	55,887	32,601
Hampton Fund	25,000	28,000
Richmond Parish Lands Charity	20,000	9,000
Barnes Fund	1,250	1,300
The Arts Societ Richmond	1,000	3,000
TNL Coronavirus Community Support Fund	8,000	-
LBRUT Coronavirus Emergency Grant Fund	5,000	-
Peter Willan	300	300
Alan Price	-	1,000
Mandy Lee Scholarship Fund	-	300
Other donations	1,394	660
	<u>413,578</u>	<u>370,029</u>

Income from charitable activities – Unrestricted	2021	2020
	£	£
Tuition fees	603,055	954,239
Activity fees from schools	4,300	26,373
Wider opportunities	(388)	32,843
Course fees	4,060	19,727
Concert income	742	32,444
Exam fees	(1,911)	5,371
Music therapy	183,664	317,960
	<u>793,522</u>	<u>1,388,957</u>

3 Investment income	2021	2020
	£	£
Bank interest receivable	<u>291</u>	<u>667</u>

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

4 Total expenditure

	Activities undertaken directly	Support costs	Total 2021	Total 2020
	£	£	£	£
Raising funds	68,881	-	68,881	73,191
Charitable activities	1,144,022	33,241	1,177,263	1,741,906
Governance costs	20,800	-	20,800	20,800
	<u>1,233,703</u>	<u>33,241</u>	<u>1,266,944</u>	<u>1,835,897</u>

5 Allocation of support costs

	Basis of apportionment	Support costs	Total 2021	Total 2020
		£	£	£
Salaries	Staff time	19,449	19,449	40,800
IT costs	Software cost and usage	2,529	2,529	1,680
Payroll costs	Invoiced costs	11,201	11,201	3,420
Bank charges	Bank charges payable	62	62	145
		<u>33,241</u>	<u>33,241</u>	<u>46,045</u>

6 Allocation of governance costs

	Activities undertaken directly	Total 2021	Total 2020
	£	£	£
Salaries	13,600	13,600	13,600
Audit	7,200	7,200	7,200
	<u>20,800</u>	<u>20,800</u>	<u>20,800</u>

7 Operating deficit (total incoming resources less total resources expended)

	2021	2020
	£	£
Operating (deficit)/surplus is stated after charging:		
Depreciation of tangible assets	1,592	11,980
Operating lease rentals – land and buildings	55,200	55,200
Auditors' remuneration	7,200	7,200
Auditor's remuneration for non-audit work	6,600	6,600
Net movement between the decrease in defined benefit pension liability and the gain on defined benefit pension scheme	28,000	50,000

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

8 Comparative Figures for the Statement of Financial Activities

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Income from:			
Income from grants and donations	328,429	41,600	370,029
Income from investments	642	25	667
Income from charitable activities	1,388,957	-	1,388,957
Other income resources	2,471	-	2,471
Total income	1,720,499	41,625	1,762,124
Expenditure on:			
Raising funds	73,191	-	73,191
Charitable activities	1,699,056	42,850	1,741,906
Governance costs	20,800	-	20,800
Total expenditure	1,793,047	42,850	1,835,897
Net income/(expenditure)	(72,548)	(1,225)	(73,773)
Other recognised gains and losses			
Gain/(loss) on defined benefit pension schemes	114,000	-	114,000
Net movement in funds	41,452	(1,225)	40,227
Reconciliation of funds			
Total funds brought forward	(402,324)	10,511	(391,813)
Total funds carried forward	(360,872)	9,286	(351,586)

9 Taxation

The Charitable Company enjoys tax-exempt status as a charity under Section 505 Income and Corporation Taxes Act 1988.

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

10 Tangible assets

	Musical Instruments £	Office Equipment £	Fixtures, Fittings & equipment £	Total £
Cost				
At 1 April 2020	157,969	125,650	55,314	338,933
Additions	606	480	-	1,086
At 31 March 2021	<u>158,575</u>	<u>126,130</u>	<u>55,314</u>	<u>340,019</u>
Depreciation				
At 1 April 2020	157,969	125,343	51,743	335,055
Charge for the year	202	466	924	1,592
At 31 March 2021	<u>158,171</u>	<u>125,809</u>	<u>52,667</u>	<u>336,647</u>
Net book value				
At 31 March 2021	<u>404</u>	<u>321</u>	<u>2,647</u>	<u>3,372</u>
At 31 March 2020	<u>-</u>	<u>307</u>	<u>3,571</u>	<u>3,878</u>

Those assets classified as musical instruments are used to further the Charitable Company's objectives. The office equipment is used for administrative support. Those assets included under fixtures, fittings and equipment are furnishings and fittings purchased for the Briar Road office.

11 Debtors

	2021 £	2020 £
Trade debtors	80,694	163,851
Prepayments	<u>14,627</u>	<u>20,565</u>
	<u>95,321</u>	<u>184,416</u>

Included within Trade debtors is £10,421 (2020 – £10,481) which relates to a rent deposit that is recoverable after more than one year.

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

12 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	-	35,115
Other taxes & social security costs	25,613	44,067
Accruals and deferred income	2,817	3,788
Other creditors	4,879	-
	<u>33,309</u>	<u>82,970</u>

13 Deferred income

	2021	2020
	£	£
Brought forward at 1 April 2020	3,788	76,835
Released in respect of prior years	(3,788)	(76,835)
Deferred in current year	-	3,788
Carried forward at 31 March 2021	<u>-</u>	<u>3,788</u>

Income in support of 2021/22 activities was the following:

	2021	2020
	£	£
Tuition and course fees	-	3,788
Total	<u>-</u>	<u>3,788</u>

Income has been deferred for the above events as they are all due to take place in the next financial year.

14 Defined benefit pension scheme liability

	2021	2020
	£	£
Pension scheme deficit	<u>808,000</u>	<u>624,000</u>

15 Retained funds

	2021	2020
	£	£
Accumulated deficit at 1 April 2020	(351,586)	(391,813)
Retained surplus for the year	(145,307)	40,227
Accumulated deficit at 31 March 2021	<u>(496,893)</u>	<u>(351,586)</u>

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

16 Analysis of charitable funds

Analysis of movement in unrestricted funds

	At 1 April 2020 £	Income £	Expenditure £	Gains/ (losses) on pension £	At 31 March 2021 £
General reserve & total unrestricted funds	(360,872)	1,217,233	(1,204,438)	(156,000)	(504,077)

Name of unrestricted fund	Description, nature and purpose of the fund
General fund	The 'free reserves' after allowing for all restricted funds

Analysis of movement in restricted funds

Jane Wadeson Memorial fund	3,265	154	(152)	-	3,267
Hampton Fuel Allotment	-	25,000	(25,000)	-	-
Richmond Parish Lands	-	20,000	(20,000)	-	-
Mandy Lee Scholarship Fund	6,021	-	(2,104)	-	3,917
Barnes Workhouse	-	1,250	(1,250)	-	-
The Arts Society Richmond	-	1,000	(1,000)	-	-
TNL Coronavirus Community Support Fund	-	8,000	(8,000)	-	-
LBRUT Coronavirus Emergency Grant Fund		5,000	(5,000)	-	-
Total restricted funds	9,286	60,404	(62,506)	-	7,184
Total Funds	(351,586)	1,277,637	(1,266,944)	(156,000)	(469,893)

Name of restricted fund	Description, nature and purpose of the fund
The Jane Wadeson Memorial Fund	The balance of monies transferred from the related charity in respect of a £3,000 capital donation, the interest thereon being available to be offset against fee remission.
The Mandy Lee Scholarship Fund	The balance of monies donated by the International Bar Association of £10,000, to fund expenses in connection with the musical education of children in need.

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

16 Analysis of charitable funds

Analysis of movement in unrestricted funds

	At 1 April 2019 £	Income £	Expenditure £	Gains/ (losses) on pension £	At 31 March 2020 £
General reserve & total unrestricted funds	(402,324)	1,720,499	(1,793,047)	114,000	(360,872)

Name of unrestricted fund	Description, nature and purpose of the fund
General fund	The 'free reserves' after allowing for all restricted funds

Analysis of movement in restricted funds

Jane Wadeson Memorial fund	3,259	6	-	-	3,265
Hampton Fuel Allotment	-	28,000	(28,000)	-	-
Richmond Parish Lands	-	9,000	(9,000)	-	-
Mandy Lee Scholarship Fund	7,252	319	(1,550)	-	6,021
Barnes Workhouse	-	1,300	(1,300)	-	-
The Arts Society Richmond	-	3,000	(3,000)	-	-
Total restricted funds	10,511	41,625	(42,850)	-	9,286
Total Funds	(391,813)	1,762,124	(1,835,897)	114,000	(351,586)

Name of restricted fund	Description, nature and purpose of the fund
The Jane Wadeson Memorial Fund	The balance of monies transferred from the related charity in respect of a £3,000 capital donation, the interest thereon being available to be offset against fee remission.
The Mandy Lee Scholarship Fund	The balance of monies donated by the International Bar Association of £10,000, to fund expenses in connection with the musical education of children in need.

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

17 Analysis of group net assets between funds

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Fixed assets	3,372	-	3,372
Current Assets			
Debtors	95,321	-	95,321
Cash at Bank and in hand	238,539	7,184	245,723
Liabilities			
Amounts due within one year	(33,309)	-	(33,309)
Net assets excluding pension liability	303,923	7,184	311,107
Pension liability	(808,000)	-	(808,000)
Net assets including pension liability	(504,077)	7,184	(496,893)

Analysis of group net assets between funds

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Fixed assets	3,878	-	3,878
Current Assets			
Debtors	184,416	-	184,416
Cash at Bank and in hand	157,804	9,286	167,090
Liabilities			
Amounts due within one year	(82,970)	-	(82,970)
Net assets excluding pension liability	263,128	9,286	272,414
Pension liability	(624,000)	-	(624,000)
Net assets including pension liability	(360,872)	9,286	(351,586)

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

18 Pensions commitments

The charitable company's current employees belong to two principal pension schemes; The Teachers' Pension Scheme ("TPS"), for academic and related staff, and the Local Government Pension Scheme ("LGPS"), for non-teaching staff and which is managed by Wandsworth Council. TPS and LGPS are defined benefit schemes, the pension costs for which are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2016 and the LGPS was 31 March 2016. Contributions of £16,872 were payable to the two schemes at the year-end (2020: £26,008) and are included in creditors.

Teachers' Pension Scheme

The TPS is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2014. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturer in part-time employment following appointment or a change of contract, although they are able to opt out.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), 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 valuation of the TPS was carried out at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department of Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

- employer contribution rates, previously set at 16.48% of pensionable pay but rising to 23.68% from 1 September 2019, including 0.08% employer administration charge
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,600 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% will be applied to future valuations
- the assumed real rate of return is 2.8% in excess of prices. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%

The next valuation of the TPS will be as at 31 March 2021, whereupon the employer contribution rate is expected to be reassessed.

The employer pension costs payable to TPS in the period amounted to £136,531 (2020: £164,582). A copy of the valuation report and supporting documentation is on the Teachers' Pension website (<https://www.teacherspensions.co.uk>).

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

18 Pension commitments (continued)

Under the definitions set out in FRS102 the TPS is a multi-employer scheme. The Charity is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the Charity has taken advantage of the exemption in FRS102 and accounted for its contributions to the scheme as if it were a defined contributions scheme. The Charity has set out above the information available on the scheme and the implications for the Charity in terms of the anticipated contribution rate.

Local Government Pension Scheme

The LGPS is a funded, defined benefit scheme with assets held in separate trustee-administered funds. The total contributions for the year ended 31 March 2021 were £42,824 (2020: £42,962) of which employer's contributions totalled £33,880 (2020: £33,717).

The latest triennial valuation was carried out at 31 March 2016 and the following information was provided for disclosures under FRS102 as at 31 March 2021, by Barnett Waddingham LLP as part of their annual review of the scheme.

The total cost recognised in the period was as follows:	2021	2020
	£'000	£'000
Current service cost	40	64
Net interest	15	16
Administration expenses	1	1
Recognised in net (income)/expenditure	<u>56</u>	<u>81</u>

Amounts recognised in the balance sheet were as follows:	2021	2020	2019
	£'000	£'000	£'000
Present value of funded obligations	(2,832)	(2,264)	(2,440)
Fair value of fund assets (bid value)	2,024	1,640	1,752
(Deficit)/surplus	<u>(808)</u>	<u>(624)</u>	<u>(688)</u>

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

18 Pension commitments (continued)

Changes in the present value of the defined benefit obligations were as follows:

	2021	2020
	£'000	£'000
Opening defined benefit obligation	2,264	2,440
Current service cost	40	49
Interest expense	53	58
Change in financial assumptions	578	(227)
Change in demographic assumptions	(25)	(78)
Contributions by scheme participants	8	8
Estimated benefits paid net of transfers in	(59)	(58)
Experience loss/(gain) on defined benefit obligation	(27)	57
Past service costs, including curtailments	-	15
Closing defined benefit obligation	<u>2,832</u>	<u>2,264</u>

Changes in the fair value of the pension plan assets were as follows:

	2021	2020
	£'000	£'000
Opening fair value of fund assets	1,640	1,752
Interest income	38	42
Actual return on plan assets (excluding interest income)	370	(154)
Other actuarial (losses)/gains	-	20
Administration expenses	(1)	(1)
Contributions by employer including unfunded	28	31
Contributions by fund participants	8	8
Estimated benefits paid plus unfunded net of transfers in	(59)	(58)
Closing fair value of fund	<u>2,024</u>	<u>1,640</u>

The contribution of each major class of assets to the fair value of the total plan was:

	2021	2020
	£'000	£'000
Equities	1,261	980
Gilts	38	61
Bonds	276	215
Property	164	149
Cash	102	25
Multi-asset fund	183	210
	<u>2,024</u>	<u>1,640</u>

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

18 Pension commitments (continued)

The return on plan assets was as follows:

	2021	2020
	£'000	£'000
Interest income	38	42
Actual return on plan assets (excluding interest income)	370	(154)
Total return on plan assets	<u>408</u>	<u>(112)</u>

The principal actuarial assumptions used were as follows:

	2021	2020	2019
Discount rate	2.0%	2.35%	2.4%
Expected rates of salary increases	3.2%	2.7%	3.4%
Expected rates of pension increases	2.8%	1.9%	2.4%
Expected rate of increase – RPI	3.2%	2.7%	3.4%
Expected rate of increase - CPI	2.8%	1.9%	2.4%

The morality assumptions used for longevity (in years) on retirement at age 65 are:

	2021	2020	2019
Retiring at the balance sheet date			
- Males	21.6	21.8	23.4
- Females	24.3	24.4	24.8
Retiring in 20 years			
- Males	22.9	23.2	25.0
- Females	25.7	25.8	26.6

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

19 Staff

Number of employees

The average monthly number of employees' full time equivalent (FTE) during the year was as follows:

	2021	2021	2020	2020
	Number	FTE	Number	FTE
Raising funds	1	1	1	1
Charitable activities	100	17	111	27
Governance	6	6	6	6
	<u>107</u>	<u>24</u>	<u>118</u>	<u>34</u>

	2021	2020
	£	£
Employment costs		
Wages and salaries	870,822	1,235,448
Social security costs	44,888	67,893
Total pension costs	<u>170,411</u>	<u>198,299</u>
	<u>1,086,121</u>	<u>1,501,640</u>

No employees, including Directors, earned more than £60,000 during the year (2020: none).

No expenses were reimbursed to Directors during the year (2020 - £Nil).

Directors' remuneration:

The number of Directors receiving remuneration during the year amounted to nil (2020 – 1).

	2021	2020
	£	£
Remuneration	-	54,690
Company pension contributions to defined benefit schemes	<u>-</u>	<u>5,079</u>
	<u>-</u>	<u>59,769</u>

The number of Directors for which retirement benefits were accruing under defined benefit pension schemes amounted to nil (2020 – 1).

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

19 Staff (continued)

Key management personnel

Key management personnel includes all Directors and a number of senior staff who together have authority for planning, directing and controlling the activities of the Charitable Company.

The total compensation paid to key management personnel for these services was £163,284 (2020: £232,110).

20 Financial commitments

At 31 March 2021 the Charitable Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

Plant and machinery

	2021	2020
	£	£
Due within one year	2,697	2,697
Within two to five years	4,712	4,712
Over five years	4,030	6,727
	<u>11,439</u>	<u>14,136</u>

Land and Buildings

	2021	2020
	£	£
Due within one year	55,200	55,200
Within two to five years	220,800	220,800
Over five years	41,400	96,600
	<u>317,400</u>	<u>372,600</u>

RICHMOND UPON THAMES MUSIC TRUST COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

21 Reconciliation of net movement in funds to net cash flow from operating activities

	2021	2020
	£	£
Net movement in funds	(145,307)	40,227
Interest receivable	(291)	(667)
Depreciation and impairment of tangible fixed assets	1,592	11,980
(Gains)/losses on deferred benefit pension schemes	184,000	(64,000)
(Increase)/decrease in debtors	89,095	(44,575)
(Decrease)/increase in creditors	(49,661)	(53,076)
Net cash flow from operating activities	<u>79,428</u>	<u>(110,111)</u>

22 Analysis of changes in net (debt)/funds

	At 1/1/20	Cash flow	At 31/12/20
	£	£	£
Net Cash			
Cash at bank and in hand	167,090	78,633	245,723

23 Related party transactions

Except for remuneration paid to key management personnel disclosed in note 19 and the donation from Peter Willan (£300) no further related party transactions took place during the year.