

South West Music School
Company Limited by Guarantee
Financial Statements
31 August 2021

THOMAS WESTCOTT

Chartered accountants & statutory auditor
26-28 Southernhay East
Exeter
Devon
EX1 1NS

South West Music School
Company Limited by Guarantee
Financial Statements
Year ended 31 August 2021

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South West Music School

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 August 2021

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 August 2021.

Reference and administrative details

Registered charity name South West Music School

Charity registration number 1138482

Company registration number 07307202

Principal office and registered office 10 Temple Back
Bristol
BS1 6FL

The trustees

Mr D Butler	
Miss K Hurr	(Appointed 22 September 2020)
Mr M Stringer	(Resigned 31 August 2021)
Mr O Leaman	(Appointed 22 September 2020)
Mr P Springate	
Mr P G Dolling	(Appointed 22 September 2020)

Auditor

Thomas Westcott
Chartered accountants & statutory auditor
26-28 Southernhay East
Exeter
Devon
EX1 1NS

Bankers

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill, West Malling
Kent
ME19 4JQ

Solicitors

Foot Anstey
Senate Court
Southernhay
Exeter
Devon
EX1 1NT

South West Music School

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

Structure, governance and management

Governing document

The organisation is a charitable company Limited by guarantee, incorporated on 7 July 2010, registered as a charity on 19 October 2010 and commenced activities on 1 September 2010. The charity was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Organisation

South West Music School was founded in 2006 as a department of the Dartington Hall Trust through a partnership of the Bournemouth Symphony Orchestra, Dartington Hall Trust, Federation of Music Services South West, Wells Cathedral School and Wiltshire Music Centre. Due to the success of this partnership and the work of South West Music School we began operating as an independent organisation from 1st September 2010, became a registered charity and demerged from the Dartington Hall Trust on the 1st November 2010.

South West Music School is part of a national network of Centres of Advanced Training (CATs) and Specialist Schools supported by the Department for Education, Music and Dance Scheme. The Music CATs and the whole network usually meet on a regular basis.

Trustees

From July 2010 we advertised to develop the Board of Trustees from 3 to 6 members. All Trustees received a full induction from the General Manager including the areas of programme, policy and procedure.

The Trustees meet quarterly and at each meeting receive comprehensive reports from the General Manager. The Board of Trustees delegate all operational and programming decisions to the General Manager and the sign off on finance and contractual agreements.

The Trustees who served during the year were:

Mr Mark Stringer
Mr David Butler
Mr Philip Springate
Mr Philip Dolling
Mr Oliver Leaman
Miss Kerenza Hurr

Risk Management

It remains the Trustee's policy to keep administrative overheads to a minimum but not to compromise on the quality of delivery. Every year all South West Music School policies are reviewed, revised and agreed by the Trustees and the relevant internal systems altered to mitigate the risk to which the Charity could be exposed.

South West Music School

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

Objectives and activities

The objective of South West Music School in accordance to our Memorandum and Articles is to provide music education for young people primarily in, but not limited to, the South West of England. Our students and delivery are spread across the South West of England.

We work in partnership with music professionals and venues across the region, nationally and internationally.

South West Music School is a virtually based organisation, with no fixed office or delivery building. This enables our team to work across the region on a more flexible basis.

This objective has been delivered through the following programmes of work:

Music and Dance Scheme (MDS)

SWMS offers tuition and mentoring in a number of programmes that are funded under the Music and Dance Scheme (MDS). We work with up to 75 students who are funded either wholly or in part by MDS grants. The scheme delivers 1-2-1 mentoring by music industry professionals, individual tuition, development programmes, workshops and residential learning opportunities depending on the programme the students are registered to. **These include the Core, Performance Development, Enhanced Foundation and the Composer/Music Producer Programmes.** In 2020-21 MDS funded students were tutored by approximately 150 specialist teachers and guided by nearly 30 mentors. Of the 'graduating' students from these programmes, multiple progressed to higher education including **Conservatoires**, while others went directly into the music industry as performers. Further students left SWMS with scholarships to other education institutions.

South West Music School is open to students who are not eligible for a grant. The families either pay for a full programme of activity, excluding a tuition budget or they contribute on a "pay as you go" basis. The 20/21 cohort included 11 such students of varying ages.

Other Programmes

SWMS also offers programmes, which are not funded through the MDS. The Foundation course is for young musicians in the 8-11 year age range, some of whom receive mentoring and others do not. We also deliver music engagement projects in partnership with local Music Education Hubs and local trusts.

SWMS continues to work in partnership with most of the 14 Music Education Hubs that operate within our geographic region. SWMS supports them in the delivery and strategies for local and regional music education development and progression.

South West Music School

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

Achievements and performance

Applications and auditions

2020/2021 was a challenging year for all music activity – due to COVID restrictions. All of our mentoring/tuition and workshops (including home based residentials) were based online through Zoom. However, we continued to offer a high level of quality engagement and learning opportunities for our students. We delivered the following activity:

1 Composer and Music Producer online residential – October 2020

1 Core student online residential – February 2021

12 online 1- day workshops for Foundation and Performance Development students

2 x days Baroque workshop

2 days online creative project based on the work of Debussy

2 x online Drumming masterclasses

1 x work experience activity – The work of a Music Therapist

Music Industry online support sessions in collaboration with BIMM

Public benefit

In planning our activities for any year, we have kept in mind the Charity Commission guidance on public benefit.

South West Music School applications are open to all regardless of social, cultural or musical background. To support the cost of fees we offer means-tested National Grants supported by the Department for Education Music and Dance Scheme for the Core Programme and bursaries for the Feeder Scheme to lower income families.

We aim to make as many of our concerts and performance as open to all in accessible venues, although in 20/21 this was not an option.

South West Music School

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

Financial review

The Statement of Financial Activities shows the charity had incoming resources for the year of £303,278 (2020: £309,890).

Income from charitable activities relates directly to the funding of the student places within South West Music School by the way of national grants and there was a decrease in income due to a reduction in the number of students.

Outgoings during the year totalled £196,685 (2020: £349,398), of this £122,107 (2020: £172,138) was incurred servicing the student places, £56,711 (2020: £62,696) related to support costs (including staff costs of £25,440 (2020: £nil), £17,867 (2020: £14,564) related to the governance costs of the charity. There were no fund raising costs (2020: £nil).

The South West Music School has now completed a 3 year plan to eliminate its reserves deficit, which are now in a positive position. This has been achieved through a focus on cost reduction, and it has also been helped by the impact of the pandemic. This has shifted much of our activity on-line which has reduced the cost of delivery. This position is not expected to persist and costs will rise in future years.

SWMS Risk Analysis

South West Music School plans to continue to develop its current programme of work. Our aim is to address the identified risk factors and develop longer-term funding partners to enable South West Music School to become more sustainable. At the same time, the charity will continue to advocate the advantages of the South West Music School delivery model and educational philosophy to individuals and organisations across the region and beyond.

Reserves Policy

The reserves policy of the charity is to retain sufficient funds equivalent to two to three months' of expected running costs, equating to between £55,000 and £85,000.

The current level of reserves is in excess of the amount, which is largely due to the impact of the pandemic as our ability to host events and workshops was curtailed. We expect the reserve level to return to within the target range in the 2022/2023 academic year.

South West Music School

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

Plans for future periods

The future plans for the South West Music School are to continue to develop our current programme of work. Our aim is to diversify our income streams and develop longer term funding partners to enable South West Music School to become more sustainable.

We will continue to advocate the South West Music School model and educational philosophy to individual and organisations across the region and beyond.

Trustees' responsibilities statement

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

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

South West Music School

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2021

The trustees' annual report was approved on ~~..17..May.2022....~~ and signed on behalf of the board of trustees by:

A handwritten signature in cursive script, appearing to read 'David Butler', written in dark ink.

Mr D Butler
Trustee

South West Music School

Company Limited by Guarantee

Independent Auditor's Report to the Members of South West Music School

Year ended 31 August 2021

Opinion

We have audited the financial statements of South West Music School (the 'charity') for the year ended 31 August 2021 which comprise the statement of financial activities (including income and expenditure account), statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 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;
- 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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

South West Music School

Company Limited by Guarantee

Independent Auditor's Report to the Members of South West Music School

(continued)

Year ended 31 August 2021

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

South West Music School

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Independent Auditor's Report to the Members of South West Music School

(continued)

Year ended 31 August 2021

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management. We communicated identified laws and regulations throughout our team, and remained alert to any indications of non-compliance throughout the audit.
- The company is subject to laws and regulations that govern the preparation of the financial statements, including financial reporting legislation, and other companies legislation. The company is also subject to other laws and regulations where the consequences of non-compliance could have a material impact on the amounts or disclosures within the financial statements, including employment, anti-bribery, anti-money laundering.
- Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

South West Music School

Company Limited by Guarantee

Independent Auditor's Report to the Members of South West Music School

(continued)

Year ended 31 August 2021

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

South West Music School

Company Limited by Guarantee

Independent Auditor's Report to the Members of South West Music School *(continued)*

Year ended 31 August 2021

Use of our report

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Shona Godefroy FCCA (Senior Statutory Auditor)

For and on behalf of
Thomas Westcott
Chartered accountants & statutory auditor
26-28 Southernhay East
Exeter
Devon
EX1 1NS

South West Music School

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 August 2021

			2021		2020
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	–	11,363	11,363	9,623
Charitable activities	6	–	291,913	291,913	300,231
Investment income	7	2	–	2	36
Total income		<u>2</u>	<u>303,276</u>	<u>303,278</u>	<u>309,890</u>
Expenditure					
Expenditure on charitable activities	8,9	–	196,685	196,685	249,398
Total expenditure		<u>–</u>	<u>196,685</u>	<u>196,685</u>	<u>249,398</u>
Net income and net movement in funds		<u>2</u>	<u>106,591</u>	<u>106,593</u>	<u>60,492</u>
Reconciliation of funds					
Total funds brought forward		36	51,943	51,979	(8,513)
Total funds carried forward		<u>38</u>	<u>158,534</u>	<u>158,572</u>	<u>51,979</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 15 to 25 form part of these financial statements.

South West Music School
Company Limited by Guarantee
Statement of Financial Position
31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	15	1,219	35
Current assets			
Debtors	16	25,272	23,696
Cash at bank and in hand		152,478	66,467
		<u>177,750</u>	<u>90,163</u>
Creditors: amounts falling due within one year	17	<u>20,397</u>	<u>38,219</u>
Net current assets		<u>157,353</u>	<u>51,944</u>
Total assets less current liabilities		<u>158,572</u>	<u>51,979</u>
Net assets		<u>158,572</u>	<u>51,979</u>
Funds of the charity			
Restricted funds		158,534	51,943
Unrestricted funds		<u>38</u>	<u>36</u>
Total charity funds	19	<u>158,572</u>	<u>51,979</u>

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

These financial statements were approved by the board of trustees and authorised for issue on 17 May 2022 and are signed on behalf of the board by:



Mr D Butler
Trustee

The notes on pages 15 to 25 form part of these financial statements.

South West Music School

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Bishop Fleming, 10 Temple Back, Bristol, BS1 6FL.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue as a going concern.

Judgements and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors, such as their product life cycles and maintenance programmes. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Trade debtors are reviewed for impairment loss on an annual basis and provision is made for any balances where there is uncertainty against the recoverability of the balance. This methodology is applied on a customer by customer basis. Future events that are believed to be reasonable under the circumstances.

South West Music School

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

South West Music School

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Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	25% straight line
Computer equipment	-	25% straight line
Database	-	25% straight line

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

South West Music School

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

South West Music School

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

4. Limited by guarantee

Each member is liable to pay no more than £1 in case of winding up.

5. Donations and legacies

	Restricted Funds £	Total Funds 2021 £	Restricted Funds £	Total Funds 2020 £
Donations				
Donations	10,450	10,450	6,185	6,185
Grants				
Other grants	913	913	3,438	3,438
	<u>11,363</u>	<u>11,363</u>	<u>9,623</u>	<u>9,623</u>

6. Charitable activities

	Restricted Funds £	Total Funds 2021 £	Restricted Funds £	Total Funds 2020 £
Fee income	16,038	16,038	15,004	15,004
National grants	275,875	275,875	285,227	285,227
	<u>291,913</u>	<u>291,913</u>	<u>300,231</u>	<u>300,231</u>

The national grants represent Music and Dance Scheme and sustainability grants received from the Department for Education.

7. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Bank interest receivable	2	2	36	36

8. Expenditure on charitable activities by fund type

	Restricted Funds £	Total Funds 2021 £	Restricted Funds £	Total Funds 2020 £
South West Music School	122,107	122,107	172,138	172,138
Support costs	74,578	74,578	77,260	77,260
	<u>196,685</u>	<u>196,685</u>	<u>249,398</u>	<u>249,398</u>

South West Music School

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

9. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2021	Total fund 2020
	£	£	£	£
South West Music School	122,107	56,711	178,818	234,834
Governance costs	–	17,867	17,867	14,564
	<u>122,107</u>	<u>74,578</u>	<u>196,685</u>	<u>249,398</u>

10. Analysis of support costs

	Support costs	Governance costs	Total 2021	Total 2020
	£	£	£	£
Staff costs	25,440	–	25,440	–
Premises	249	–	249	378
Communications and IT	5,986	–	5,829	4,824
General office	6,369	–	6,369	6,738
Consultant fees	18,427	–	18,427	50,696
Staff travelling, accommodation and training	240	119	359	25
Accountancy fees and book keeping	–	17,613	17,613	14,416
Bank interest and charges	–	135	135	120
	<u>56,711</u>	<u>17,867</u>	<u>74,578</u>	<u>77,197</u>

11. Net income

Net income is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation of tangible fixed assets	<u>249</u>	<u>378</u>

12. Auditors remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	<u>5,500</u>	<u>3,500</u>
Fees payable to the charity's auditor and its associates for other services: Other non-audit services	<u>2,420</u>	<u>2,572</u>

South West Music School

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021 £	2020 £
Wages and salaries	25,203	–
Employer contributions to pension plans	237	–
	<u>25,440</u>	<u>–</u>

The average head count of employees during the year was 1 (2020: Nil).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

14. Trustee remuneration and expenses

No remuneration or benefits from employment with the charity or a related party were received by the trustees.

During the year no trustee (2020:1) has claimed expenses or had their expenses met by the charity for travel costs (2020: £28).

15. Tangible fixed assets

	Fixtures and fittings £	Equipment £	Database £	Total £
Cost				
At 1 September 2020	18,221	5,305	5,040	28,566
Additions	755	678	–	1,433
At 31 August 2021	<u>18,976</u>	<u>5,983</u>	<u>5,040</u>	<u>29,999</u>
Depreciation				
At 1 September 2020	18,199	5,292	5,040	28,531
Charge for the year	84	165	–	249
At 31 August 2021	<u>18,283</u>	<u>5,457</u>	<u>5,040</u>	<u>28,780</u>
Carrying amount				
At 31 August 2021	<u>693</u>	<u>526</u>	<u>–</u>	<u>1,219</u>
At 31 August 2020	<u>22</u>	<u>13</u>	<u>–</u>	<u>35</u>

South West Music School

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

16. Debtors

	2021	2020
	£	£
Trade debtors	13,763	12,230
Prepayments and accrued income	9,611	9,568
Other debtors	1,898	1,898
	<u>25,272</u>	<u>23,696</u>

17. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	8,921	28,537
Accruals and deferred income	8,510	8,680
Social security and other taxes	737	–
Other creditors	2,229	1,002
	<u>20,397</u>	<u>38,219</u>

18. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £237 (2020: £Nil).

South West Music School

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

19. Analysis of charitable funds

Unrestricted funds

	At 1 September 2020 £	Income £	Expenditure £	At 31 August 2021 £
General funds	36	2	—	38

	At 1 September 2019 £	Income £	Expenditure £	At 31 August 2020 £
General funds	—	36	—	36

Restricted funds

	At 1 September 2020 £	Income £	Expenditure £	At 31 August 2021 £
Music and Dance Scheme Funded Programmes	51,943	303,276	(196,685)	158,534

	At 1 September 2019 £	Income £	Expenditure £	At 31 August 2020 £
Music and Dance Scheme Funded Programmes	(8,513)	309,854	(249,398)	51,943

South West Music School

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

20. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	–	1,219	1,219
Current assets	38	177,712	177,750
Creditors less than 1 year	–	(20,397)	(20,397)
Net assets	38	158,534	158,572

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	–	35	35
Current assets	36	90,127	90,163
Creditors less than 1 year	–	(38,219)	(38,219)
Net assets	36	51,943	51,979

During the current year the remaining restricted balances held in funds other than "Music and Dance Scheme Funded programmes" (MDS) was transferred into the MDS restricted funds in an attempt to better reflect the nature of these restricted reserves. The MDS programmes are the only ongoing projects from those listed in the restricted funds above and incorporate all subprojects funded from this source of income. The charity is exploring options for utilisation of funds where funders have specified projects on which the funds are to be expended and the balances remain unutilised despite the projects being incomplete.

Purposes of restricted funds:

- Music and Dance Scheme represents the income and cost associated with the core programme, composers, feeder programme, induction programmes, performances, and residential courses.
- A Level Music covers income and costs associated with distance A Level qualifications.

21. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2021 £	2020 £
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	168,139	80,596
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	20,397	38,219

South West Music School

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Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

21. Financial instruments *(continued)*

Financial assets measured at amortised cost comprise cash and debtors (excluding prepayments and tax).

Financial liabilities measured at amortised cost comprise creditors (excluding deferred income and tax).

22. Related parties

During the year expenses were incurred totalling £119 relating to retirement gift to the former trustee (2020: £nil).

During the year the charity purchased supporting services from Wells Cathedral School, for whom M. Stringer is a director, totalling £nil (2020: £160 relating to accommodation and supporting services). At the year end the charity owed Wells Cathedral School £nil (2020: £80) which is included within trade creditors.

23. Events after the end of reporting period

There have been no events in the subsequent period that will require an adjustment to the balances reported in the statement of financial position of these financial statements dated 31 August 2021.