

Company registration number: 07307202

Charity registration number: 1138482

South West Music School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2023



South West Music School
Company Limited by Guarantee
Trustees' Annual Report & Accounts
Year ended 31 August 2023

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Reference and Administrative Details

Trustees	Mr O Leaman, (Chair)
	Mr P G Dolling
	Mr P J Springate
	Mr D Butler
	Miss K Hurr
Charity Registration Number	1138482
Company Registration Number	07307202
Registered Office	Bishop Fleming 10 Temple Back Bristol BS1 6FL
Auditor	Westcotts (SW) LLP Chartered Accountants & Statutory Auditor 80 Oxford Street Burnham-on-Sea TA8 1EF
Solicitors:	Foot Anstey Secretarial Limited Senate Court Southernhay Exeter Devon EX1 1NT
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill, West Malling, Kent ME19 4JQ

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Trustees' Report

The trustees, who are directors for the purposes of company law, present their report and the financial statements of the charitable company for the year ended 31 August 2023.

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 success of this partnership and the work of South West Music School we began operating as an independent organisation from 1st September 2010, becoming 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 meet on a regular basis, overseen by representatives of the DfE.

Trustees

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:

Dr Oliver Leaman (Chair)

Mr David Butler

Mr Philip Springate

Mr Philip Dolling

Ms 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.

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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 programme of activity are spread across the South West of England.

We work in partnership with music professionals, educational settings 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 locally spread basis.

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

Music and Dance Scheme (MDS)

SWMS offers tuition and mentoring through 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.

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 22/23 cohort included 23 such students of varying age.

The scheme delivers 1-2-1 mentoring by music education and industry professionals, individual tuition support, development programmes, genre and instrument specific workshops, and residential learning opportunities.

We offer 3 main programmes with bolt on specialisms.

The Foundation (enhanced with mentoring), Performance Development Programme, The Core (inc Composers and Songwriting pathways)

Music production and DAW composition is covered across all programmes.

All of our programmes are cross genre/cross instrumentation.

In 2022-23 MDS funded students were tutored by approx 150 specialist teachers and guided by 26 mentors. Of the 'graduating' students from these programmes, 3 progressed to higher education to study music including University and Conservatoire, while 2 went to HE to study Art and 1 took a Gap Year position as a Music Assistant at Wells Cathedral School. A further 3 students left SWMS to attend Junior Conservatoire or FE specific Music Colleges such as BIMM in Manchester.

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Other Programmes

SWMS also offers programmes, which are not funded through the MDS. The Foundation course is also for young musicians in the 8-11 year age range who are not yet of a standard to apply for Music and Dance scheme grant.

SWMS continues to work in partnership with most of the Music Education Hubs that operate within our geographic region. SWMS is a progression partner in support of the strategy for local and regional music education development and progression.

Applications and auditions

The application process opened in April 22 for the 22/23 year.

Cornwall students were auditioned/interviewed online, however the rest of the region attended auditions in person, with an audition panel of 3 independent music tutors.

We had 30 new student applications during the academic year - giving a total cohort of 83 students across the programmes.

60 of the students were eligible for MDS grants (full and partial).

Achievements and performance

We had a busy and exciting year delivering the following activity:

31 programme day workshops at weekends (genre specific, instrument specific, ensemble activity and music production);

8 residentials (included weekends and holiday weeks) including the second South West Youth Orchestra.

Composer programme - October half term 2022

Our students had an inspirational residential with a team of tutors from Bath Spa University, led by Dr Matthew Sergeant (Programme leader BA Music).

The residential was once again based at Lavethan House near Bodmin.

The students were introduced to creating their own compositions inspired by the landscape and sounds around them, utilising recordings and live music combining their own imagery (photography, film).

Our Composer students are part of the Core programme, and therefore also attend at least one of the Core residentials.

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Songwriter programme - October half term 2022

Also based at Lavethan in Cornwall. The Songwriters collaborate to devise new music and lyrics with our professional songwriter tutors. The Songwriter students are part of the Core Programme and attend one of the Core residentials.

Core

Easter residential

Our Easter residential was held at Millfield School and was a collaboration with the National Youth Jazz Collective and guest tutors. The students worked with the tutors to learn more about Swing Jazz Music, the improvisation methods, and challenging rhythms. They played as small ensembles, and learnt some of the dances too.

July residential

This residential was based at Bath Spa University.

Once again working with Matthew Sergeant and guest tutors for Percussion, Guitar and Vocals. The students were introduced to the concept of imitating, recreating sounds of the natural world - inspired by Christopher Tin's The Lost Birds suite of work.

August residential

South West Youth Orchestra.

This was the second year for the successfully relaunched SWYO.

We returned to Millfield School and welcomed 30 talented young musicians aged 13-23.

In addition to the engaging repertoire set by Conductor Patrick Bailey we welcomed one of our Composer students to develop one of her pieces with the Orchestra (a very rare opportunity). The piece was such a great success it was added to the final performance repertoire. The final concert was superb with everyone from students to tutors to the Conductor all keen to develop the opportunities for 2024!

Foundation and Performance Development Programme.

Our younger students, aged 8 - 14, attend a series of workshops across the academic year (2 per term). They are split into projects with varied tutors, genre, skill outcomes and performance opportunities. The PDP students finish their year at a weekend residential. In 22/23 the Foundation students also worked with an actor tutor to develop their performance confidence. The PDP students devised new pieces of music which were performed at the end of their residential. These programmes are devised to increase a student's confidence in their own musicianship, to explore their instruments and widen their musical knowledge and taste.

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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 from across the South West region of England. We ensure that our workshops/residentials are spread geographically for easy access.

To support the cost of fees we offer means-tested national grants supported by the Department for Education Music and Dance Scheme for lower income families. In 21/22 we welcomed students with a variety of additional needs inc physical accessibility and mental health challenges.

Financial review

The Statement of Financial Activities shows the charity had incoming resources for the year of £270,958 (2022: £240,933). 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 an increase in income due to an increase in the number of students. Outgoings during the year totalled £287,051 (2022: £252,011), of this £171,196 (2022: £158,347) was incurred servicing the student places, £105,151 (2022: £82,679) related to support costs (including staff costs of £69,218 (2022: £49,483), £10,704 (2022: £10,985) related to the governance costs of the charity. There were no fund-raising costs (2022: £nil). The South West Music Schools reserves continue to be in a positive position.

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 2023/2024 academic year.

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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 2019 (FRS 102);
- 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.

The trustees' annual report was approved on 24 May 2024 and signed on behalf of the board of trustees by:

Mr D Butler
Trustee



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Independent Auditors' Report to the Members of South West Music School

Opinion

We have audited the financial statements of South West Music School (the 'charity') for the year ended 31 August 2023 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 2023 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.

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.

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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.

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.

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Independent Auditors' Report to the Members of South West Music School

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.

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.

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- 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.

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.

Westcotts (SW) LLP

David Wright (Senior Statutory Auditor)
For and on behalf of
Westcotts (SW) LLP
Chartered Accountants & Statutory Auditor
80 Oxford Street
Burnham-on-Sea
TA8 1EF

Date: 24.5.24

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Statement of Financial Activities for the Year Ended 31 August 2023
(Including Income and Expenditure Account and Statement of Total
Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Income and Endowments from:					
Donations and legacies	3	530	-	530	104
Charitable activities	4	134,875	134,681	269,556	240,829
Investment income	5	872	-	872	-
Total income		<u>136,277</u>	<u>134,681</u>	<u>270,958</u>	<u>240,933</u>
Expenditure on:					
Charitable activities	6	<u>(152,370)</u>	<u>(134,681)</u>	<u>(287,051)</u>	<u>(252,011)</u>
Total expenditure		<u>(152,370)</u>	<u>(134,681)</u>	<u>(287,051)</u>	<u>(252,011)</u>
Net expenditure		(16,093)	-	(16,093)	(11,078)
Transfers between funds		-	-	-	158,534
Funds - Transfer to another fund		-	-	-	(158,534)
Net movement in funds		(16,093)	-	(16,093)	(11,078)
Reconciliation of funds					
Total funds brought forward		<u>147,494</u>	<u>-</u>	<u>147,494</u>	<u>158,572</u>
Total funds carried forward	18	<u>131,401</u>	<u>-</u>	<u>131,401</u>	<u>147,494</u>

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2022 is shown in note 18.

Prior year Statement of Financial Activities comparatives are disclosed in note 17.

The notes on pages 14 to 27 form an integral part of these financial statements.

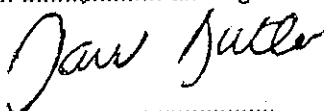
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(Registration number: 07307202)
Balance Sheet as at 31 August 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	751	1,234
Current assets			
Debtors	14	10,482	22,095
Cash at bank and in hand		<u>131,795</u>	<u>140,059</u>
		142,277	162,154
Creditors: Amounts falling due within one year	15	<u>(11,627)</u>	<u>(15,894)</u>
Net current assets		<u>130,650</u>	<u>146,260</u>
Net assets		<u>131,401</u>	<u>147,494</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>131,401</u>	<u>147,494</u>
Total funds	18	<u>131,401</u>	<u>147,494</u>

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

The financial statements on pages 12 to 27 were approved by the trustees, and authorised for issue on 24 May 2024... and signed on their behalf by:



.....
Mr D Butler
Trustee

The notes on pages 14 to 27 form an integral part of these financial statements.

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Notes to the Financial Statements for the Year Ended 31 August 2023

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Bishop Fleming
10 Temple Back
Bristol
BS1 6FL

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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 (FRS 102)) (issued in January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

South West Music School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Notes to the Financial Statements for the Year Ended 31 August 2023

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.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Investment income

Interest income is recognised using the effective interest method except where it relates to a transaction where payment is deferred beyond normal credit terms.

Charitable activities

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.

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Notes to the Financial Statements for the Year Ended 31 August 2023

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Tangible fixed assets

Tangible assets are initially recorded at cost and are subsequently stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	25% straight line
Computer equipment	25% straight line

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Notes to the Financial Statements for the Year Ended 31 August 2023

Trade debtors

Trade debtors are amounts due from students for music and dance services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

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

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

Pensions and other post retirement obligations

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.

Notes to the Financial Statements for the Year Ended 31 August 2023

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Debt instruments

Debt instruments are subsequently measured at amortised cost.

3 Income from donations and legacies

	Unrestricted funds General £	Total 2023 £
Donations and legacies;		
Other grants	530	530
	<u>530</u>	<u>530</u>

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	Unrestricted funds General £	Total 2022 £
Donations and legacies;		
Other grants	104	104
	<u>104</u>	<u>104</u>

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Fee income	27,871	-	27,871
National grants	107,004	134,681	241,685
	<u>134,875</u>	<u>134,681</u>	<u>269,556</u>

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Fee income	7,069	-	7,069
National grants	100,038	133,722	233,760
	<u>107,107</u>	<u>133,722</u>	<u>240,829</u>

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

5 Investment income

	Unrestricted funds General £	Total 2023 £
Interest receivable and similar income;		
Interest receivable on bank deposits	872	872
	<u>872</u>	<u>872</u>

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Notes to the Financial Statements for the Year Ended 31 August 2023

6 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total 2023 £
South West Music School				
Allocated support costs	7	36,515	134,681	171,196
Governance costs	7	105,151	-	105,151
		10,704	-	10,704
		<u>152,370</u>	<u>134,681</u>	<u>287,051</u>
	Note	Unrestricted funds General £	Restricted funds £	Total 2022 £
South West Music School				
Allocated support costs	7	24,625	133,722	158,347
Governance costs	7	82,679	-	82,679
		10,985	-	10,985
		<u>118,289</u>	<u>133,722</u>	<u>252,011</u>

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South West Music School	Activity undertaken directly £	Activity support costs £	2023 £
	171,196	105,151	276,347
South West Music School	Activity undertaken directly £	Activity support costs £	2022 £
	158,347	82,679	241,026

In addition to the expenditure analysed above, there are also governance costs of £10,704 (2022 - £10,985) which relate directly to charitable activities. See note 7 for further details.

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Notes to the Financial Statements for the Year Ended 31 August 2023

7 Analysis of governance and support costs

Support costs allocated to charitable activities

	Total 2023 £	Total 2022 £
Staff costs	69,218	49,483
Depreciation	483	484
Communications, IT and subscriptions	4,655	4,768
Rent, insurance, repairs, printing and other office expenses	7,559	6,910
Consultancy fees	20,987	20,226
Travelling, accommodation and training	2,249	808
	105,151	82,679

Governance costs

	Total 2023 £	Total 2022 £
Audit fees		
Audit of the financial statements	6,000	5,500
Other fees paid to auditors	4,010	775
Legal fees	575	4,593
Other governance costs	119	117
	10,704	10,985

All support and governance costs are unrestricted.

8 Net income/expenditure

Net expenditure/income for the year include:

	2023 £	2022 £
Depreciation of fixed assets	483	484

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9 Trustees remuneration and expenses

No trustee waived expenses in the current or previous year.

10 Staff costs

The aggregate payroll costs were as follows:

	2023	2022
	£	£
Staff costs during the year were:		
Wages and salaries	68,577	49,726
Staff pensions	187	-
Staff NIC (Employers)	454	(243)
	<u>69,218</u>	<u>49,483</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed per head count was as follows:

	2023	2022
	No	No
Average number of employees	<u>3</u>	<u>2</u>

No employee received emoluments of more than £60,000 during the year or the previous year.

The total employee benefits of the key management personnel of the charity were £41,613 (2022 - £31,927).

11 Auditors' remuneration

	2023	2022
	£	£
Audit of the financial statements	<u>6,000</u>	<u>5,500</u>
Other fees to auditors		
All other non-audit services	<u>4,010</u>	<u>775</u>

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Notes to the Financial Statements for the Year Ended 31 August 2023

12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

13 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
At 1 September 2022	1,933	1,933
At 31 August 2023	1,933	1,933
Depreciation		
At 1 September 2022	699	699
Charge for the year	483	483
At 31 August 2023	1,182	1,182
Net book value		
At 31 August 2023	751	751
At 31 August 2022	1,234	1,234

14 Debtors

	2023 £	2022 £
Trade debtors	315	14,117
Accrued income	10,167	6,080
Other debtors	-	1,898
	10,482	22,095

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	1,644	9,191
Other creditors	2,428	428
Accruals	7,555	6,275
	11,627	15,894

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16 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £187 (2022 - £Nil).

17 Prior year Statement of Financial Activities comparatives

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
Income and Endowments from:				
Donations and legacies	3	104	-	104
Charitable activities	4	107,107	133,722	240,829
Total income		107,211	133,722	240,933
Expenditure on:				
Charitable activities	6	(118,289)	(133,722)	(252,011)
Total expenditure		(118,289)	(133,722)	(252,011)
Net expenditure		(11,078)	-	(11,078)
Transfers between funds		158,534	-	158,534
Funds - Transfer to another fund		-	(158,534)	(158,534)
Net movement in funds		147,456	(158,534)	(11,078)
Reconciliation of funds				
Total funds brought forward		38	158,534	158,572
Total funds carried forward	18	147,494	-	147,494

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18 Funds

	Balance at 1 September 2022 £	Income £	Expenditures £	Balance at 31 August 2023 £	
Unrestricted funds					
General					
General fund	<u>147,494</u>	<u>270,958</u>	<u>(287,051)</u>	<u>131,401</u>	
	Balance at 1 September 2021 £	Income £	Expenditures £	Transfers £	Balance at 31 August 2022 £
Unrestricted funds					
General					
General fund	38	107,211	(118,289)	158,534	147,494
Restricted					
Music and Dance Scheme Funded Programmes	<u>158,534</u>	<u>133,722</u>	<u>(133,722)</u>	<u>(158,534)</u>	<u>-</u>
Total funds	<u>158,572</u>	<u>240,933</u>	<u>(252,011)</u>	<u>-</u>	<u>147,494</u>

Music and Dance Scheme represents the income and cost associated with the core programme, composers, feeder programme, induction programmes, performances and residential courses.

19 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 31 August 2023 £
Tangible fixed assets	751	751
Current assets	142,277	142,277
Current liabilities	(11,627)	(11,627)
Total net assets	131,401	131,401

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	Unrestricted funds General £	Total funds at 31 August 2022 £
Tangible fixed assets	1,234	1,234
Current assets	162,154	162,154
Current liabilities	<u>(15,894)</u>	<u>(15,894)</u>
Total net assets	<u>147,494</u>	<u>147,494</u>

