

Company no. 8310735
Charity no. 1150174

Barnet Education Arts Trust
Report and Audited Financial Statements
31 March 2021

Barnet Education Arts Trust

Reference and administrative details

For the year ended 31 March 2021

Company number	8310735
Charity number	1150174
Registered office and operational address	Barnet Music Hub Dollis Primary School Pursley Road London NW7 2BU
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Martin Baker Jayne Barnes Tim Clark Katie Dawbarn Colin Dowland Philip Elgar Neil Marlow Joann Moore Helen Morrison Mary Musker Patrick Richmond Peter White Chair appointed 12 October 2020 appointed 19 May 2020 resigned 20 May 2020
Chief executive officer	Sharon Broughall
Company secretary	Smiljana Kadelburg
Bankers	The Co-operative Bank 80 Cornhill London EC3V 3NJ ME19 4JQ
Auditors	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD
Solicitors	Vincent, French and Browne Solicitors Rugby Chambers 2 Rugby Street London WC1N 3QU

Barnet Education Arts Trust

Report of the trustees

For the year ended 31 March 2021

The trustees present their report and the audited financial statements for the year ended 31 March 2021.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2019).

Structure, governance and management

Legal status, date of incorporation and date of charity registration

This charitable company limited by guarantee was incorporated on 28th November 2012. Charitable registration was completed on 13th December 2012.

The governing document is the articles of association agreed on 28 November 2012.

Trustees are appointed and recruited by the board by advertisement and interview. Upon selection they are required to complete a satisfactory DBS check. At present there are two Local Authority trustees (to represent the needs of the local community), one Primary School Head Teacher, one Advisory Teacher for inclusion, one ex schools' inspector, Secondary Head of Music, three parents, and an ex-Director of Children's Services.

Trustees are inducted at their first meeting and then mentored by existing trustees at committee meetings.

Organisational structure

The CEO is responsible for the day to day running of the organisation and line manages three directors and one manager, the company secretary and 4 administrative staff. There are a further 68 teaching staff and line management responsibilities for them are shared among the senior staff.

Strategic decisions are made by the Board of Trustees as to the direction of the work carried out by BEAT and the use of charitable funds. There is a chairman and a number of committees with differing membership to support the work of the CEO and the senior leadership team of the organisation. These committees will usually report back to the board before any decisions are taken.

The CEO will take decisions on a day to day basis and refer to the chairman when appropriate. There is a company secretary who is responsible for preparing the accounts and reporting to the Trustees at quarterly meetings.

BEAT is a member of Music Mark, the federation supporting the work of music hubs.

Partnerships

There are a number of key partners at any one time. The most significant of these is with Arts Council England which monitors the work of all music hubs and releases the music education grant to them on receipt of any required data and reporting.

Music partners in 2020-2021 have included the Live Music Now, Charanga, English Folk Dance and Song Society, and London Music Fund.

Barnet Education Arts Trust

Report of the trustees

For the year ended 31 March 2021

BEAT has strong partnerships with schools and works with and in nearly all schools in the London Borough of Barnet.

Pay policy

The pay of all senior and teaching staff mirrors the Teachers' Pay and Conditions Document. Administrative staff are given the same percentage pay rises as teaching staff. The CEO pay point is decided by trustees at performance management meetings and falls into a seven point scale on the leadership scale for Head Teachers and senior leaders in schools. Other senior managers' pay is decided by the CEO. Their pay will always fall within a range of leadership scale pay points at least 5 points apart from the CEO pay.

Our strategic objectives

BEAT's vision remains in line with our current 3 year strategic plan, to offer high quality, diverse, sustainable music education opportunities for all children and young people. We strive to ensure that opportunities are available regardless of a young person's background or circumstances and that those reaping the benefits represent the varied demographic of the borough. We serve music education to all young people in Barnet. We aim to support and enhance the music curriculum in schools, as well as providing progression opportunities for young musicians in the community.

The Board of Trustees has reflected that the new environment only emphasises the importance of our purpose in helping ensure that we retain and strengthen the bond between us and all our stakeholders and encourage the development of a more resilient hub, better able to serve the needs of the community.

The pandemic continues to have a major impact on the organisation, placing great strain on its sources of income. With the imminent end of the furlough scheme, staff wages will be substantially reduced, taking some time to reach previous levels before Covid. The long term impact is still not clear and may not be for some time, being dependent on any future Lockdowns being enforced and the speed of our recovery. There remain significant challenges ahead in re-establishing all our provisions and in adapting to new ways of working and continuing to develop our current flexible and blended approach.

The main priorities for 2020 - 2021, in line with our Business Stabilisation plan, were:

Governance and management

The Board of Trustees have continued to meet frequently, to better keep abreast of key issues such as cash flow, staffing levels, the job retention scheme, changing government guidelines for schools and music making and teaching remotely. The finance sub-committee has been meeting monthly to keep the finances under regular review.

Trustees to:

- Have a shared, consistent and clear understanding of the current position;
- Support CEO through regular meetings and introduction of sub-committees in areas of concern;
- Identify ongoing risks and apply any necessary mitigations; and
- Organise a strategic business planning day in the Summer of 2021.

Barnet Education Arts Trust

Report of the trustees

For the year ended 31 March 2021

Management, senior management team to:

- Deliver a strong, consistent message to new and engaged audiences;
- Inform and update ACE throughout;
- Ongoing engagement with schools and parents specifically to clarify their needs;
- Decide which services can continue to be provided, amended, delivered differently or suspended;
- Engage closely with the community, stakeholders and influencers - locally, regionally and nationally - to support and champion music education; and
- Introduce activities and strategies to maintain pupil engagement.

Workforce, retention of staff

It has remained a priority of BEAT to continue to retain staff jobs and BEAT has taken advantage of the continued Government support package.

- Continue to maximise government support packages to protect employees' jobs;
- Support all employees through regular drop in sessions;
- Develop a recruitment programme throughout the summer term;
- Offer CPD to support new ways of working;
- Ensure all safeguarding and risk assessments are in place and adhered to;
- Ensure risk assessments are in place for individuals especially BAME and vulnerable staff;
- Provide a flexible approach to teachers working hours; and
- Provide mental health support where appropriate.

Programme of activity

We have aimed to promote a strong programme of activity which aimed to be innovative and flexible so we could keep music alive for our young people whilst meeting the ongoing challenges posed by the COVID-19 pandemic. Further details below provide a summary of what happened and key achievements.

- Delivered an online Infant Music Festival. 42 classes from 24 primary schools took part over 7 festivals. The feedback was positive – whilst everyone would of course rather be live, the online festivals still created a sense of occasion, of performance and of genuine connection between schools;
- Gave access to 144 young people across 18 schools to our online WCET course. Individual children spent between 30 minutes and 6 hours accessing these lessons;
- Maximised government support packages to protect the jobs of 80 employees;
- Continued to deliver, online and Face to Face, our 'Access for All' ensemble at Mapledown School, a secondary day school (11-19 years) catering for children and young people with Severe Learning Difficulties (SLD), Autism (ASC) and those with profound and multiple learning difficulties (PMLD);
- Supported all Barnet schools by providing updated DfE guidance about music education with regular advice, network meetings, consultations and CPD;
- Continued to run a blended Academy ensemble provision, online and in person when restrictions allowed. Our Flagship groups were able to take advantage of going live in the Autumn Term with courses for 15 students at a time - 51 students took part. BYBB have done a blend of online and live sessions as the situation allowed and did a short live Christmas Concert with doors open to parents waiting in the playground;
- Offered CPD opportunities for BEAT staff. Staff attended a series of live virtual training webinars/workshops delivered by Music Mark. Recordings of these were then uploaded to the BEAT staff area of the website;

Barnet Education Arts Trust

Report of the trustees

For the year ended 31 March 2021

- Successfully ran a series of virtual summer courses and workshop. 134 young people attending 12 online summer courses covering a variety of musical topics for all age groups;
- Provided remission of instrumental tuition fees for children in care or eligible for pupil premium attending school where BEAT provides the teachers. 14 children in care are in receipt of free instrumental tuition and 126 children eligible for pupil premium have received a remission of fees;
- Continued to provide 7 scholarships through the London Music fund and 9 bursaries through the John Lyon Charity. BEAT has continued to fund these scholarships once their allocated times has elapsed;
- Obtained 100% pass marks in Music A level and Music Technology A level with grades above the national average in both subjects; and
- Formed new partnerships with Live Music Now, and the English Folk Dance and Song Society.

Unfortunately, our gala performance at the Royal Albert Hall on 30th April 2020 was sadly cancelled due to COVID-19.

At present BEAT provides opportunities in music education for all young people in Barnet. This includes providing musicians and teachers to work with young people in schools and elsewhere. This includes providing lessons, performance opportunities, workshops and ensembles for these young people to play in. The musicians and teachers provided are also offered training opportunities to develop their own skills.

The public benefit is that young people will develop their social and cultural skills through participating in these activities. The families of these young people will also benefit from the cultural events they may attend that the young people are taking part in. The trustees are mindful of the importance of public benefit that the organisation brings and there is always an item on the board meetings agenda for the use of raised monies. The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives for the year.

COVID-19 recovery

We remain in uncharted waters and are continually reviewing our direction of travel. We are planning and actively working towards a full return to all our partner schools in September, re-establishing our Music Academies and looking ahead to providing opportunities that reflect the current needs of our young people.

There will be a need to understand that COVID-19 has brought about changes we could never have imagined and it is likely that the needs and demands of parents, schools and the local community will have changed. Regenerating demand from all stakeholders, through close and regular contact, will remain a high priority for BEAT during this time, particularly those in the most disadvantaged of circumstances.

Currently, we do not know what the future holds but it is important that we acknowledge the challenges that we have faced but also to recognise the combined efforts that we, together, have enacted to overcome these challenges.

BEAT will seek to promote and enable better access for all young people by bringing further flexibility in the services it offers and taking the strongest steps to ensure financial viability. This will mean a revision of some provisions i.e. BEAT Music Academies, in order for these to remain competitive and ensure our provision continues to be affordable and of a high quality. Trends which were already emerging prior to the crisis - reduced membership of our ensembles are likely to be more evident.

Barnet Education Arts Trust

Report of the trustees

For the year ended 31 March 2021

BEAT will deliver a long-term approach, be innovative and flexible and incorporate our new found digital techniques into our future provision and delivery.

Fundraising

Annual statements about fundraising

- BEAT has not employed a commercial organisation to fundraise. An existing employee has taken on the role of fundraiser;
- This employee has not subscribed to any scheme for standards or regulation. There has been no failure in regulation;
- The charity monitors the fundraising activities of the employee through regular meetings, e-mails and telephone discussions;
- There have been no complaints with regard to the fundraising activities of BEAT; and
- BEAT does not actively pursue donors for donations – all are voluntary.

The main fundraising activities during 2020-2021 were for:

- Children whose families are unable to meet the cost of learning to play an instrument; and
- Funding the SEN orchestra development.

Fundraising results for 2020-2021

Commission from Amazon, Virgin, Alliances, ETC	5,322
Tesco bags	1,000
Schools and individuals	395
	<hr/>
Total	<u><u>6,717</u></u>

Financial review

Reserves policy

The reserves policy states that the BEAT reserves should be between 10% and 15% of total expenditure. This would represent a sum between £200K and £300K.

BEAT successfully applied for the government Culture Recovery Fund grant and received a sum of £300,000 which has been used, at this stage to boost the reserves.

It has been necessary to deposit a part of BEAT's reserves (£78,437), into a separate account as a guarantee for teachers' pensions. Without this amount the Teachers' Pensions would not allow BEAT teachers to remain in the Teachers' Pension Scheme.

Main sources of funding

The main source of funds this year came from Government grants (67.5%). These included the Arts Council's Music Education grant (26% of turnover), Culture Recovery Fund grant (15% of turnover) and Job Retention Scheme grant and Teachers' Pension increase support grant (25% of turnover). BEAT's usual income from charging parents and schools for lessons is down this year to 32.5% of turnover.

Expenditure

81% of expenditure has been spent on maintaining Teachers' pay, delivering music tuition, performances or rehearsals – this is identified in direct costs.

Barnet Education Arts Trust

Report of the trustees

For the year ended 31 March 2021

Future aims

Barnet Education Arts Trust is committed to providing a flexible, professional service that offers value for money. No profit is made from the services we offer and all charges are based on the cost for delivery. BEAT's regular cash flow depends significantly on income from schools and from parents, and this income has become financially unstable since March 2020 and remains critically low. The largest percentage of costs come from staff. Furloughing has provided a temporary cushion but with the increase of costs and the end of the scheme in May 2021 staff will be facing a reduction in their contracted teaching hours.

The Cultural Recovery Fund grant has allowed us to replenish our reserves and given more financial stability over the coming months. This money will enable us to kick start activities once restriction have been lifted and offer support to staff as they embark on our summer recruitment drive.

The biggest and real problem will come next academic year with the removal of the government support schemes. At this stage we have no confirmation the Music Education Hubs grant will continue post March 2022.

Funds held as custodian trustee on behalf of others

None.

Risk statement

Identified risks

1. Insufficient numbers of trustees willing to be members of the board.

Risk level - Low

This is a popular organisation and the articles of association provide that all trustees will remain in post for sufficient time to ensure that not all will resign from post at the same time.

2. Lack of appropriate knowledge / expertise in board members.

Risk level - Medium

The makeup of the board ensures that sufficient trustees are appointed with knowledge of the music education and arts sector. There is a vacancy at present for a trustee with financial background – the board are actively trying to recruit such a member.

3. Financial risk caused by the growth of the school population and the subsequent increase in demand for the remission of fees and free whole class tuition.

Risk level - Medium

There is an increase in the grant this year from the Arts Council which will cover the increase in demand. The CEO and Company Secretary will both monitor on a monthly basis the increase in demand and any subsequent financial implications and will take measures to reduce this if necessary. These could include limiting the number of available remissions, asking schools to contribute to these remissions and also asking schools to contribute to the cost of the whole class instrumental tuition programme.

Barnet Education Arts Trust

Report of the trustees

For the year ended 31 March 2021

4. The Music Education Grant not continuing beyond March 2022.

Risk level - High

The impact of this is that BEAT would not be able to sustain the present level of activity which would have implications on staffing and the musical offer to young people.

5. The London Borough of Barnet not extending the guarantee for the Local Government Pension Scheme (LGPS) Deficit.

Risk level – High

When employees from the London Borough of Barnet were TUPE'd across to BEAT there were two part time employees in the LGPS. One has since retired and the second, who remains in the scheme, is not due to retire for another 17 years. In 2018 the actuary from the London Borough of Barnet assessed the deficit as at least £40,000. The London Borough of issued a Bond Renewal Agreement on 27 June 2019 continuing to be a guarantor until 30 November 2021. The sum guaranteed is £48,000. There has been a further actuarial valuation of the scheme increasing the liability to £76,000. We are currently in discussion with the London Borough of Barnet to continue to renew the bond for the next three year period.

Statement of responsibilities of the trustees

The trustees (who are also directors of the charity 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, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Barnet Education Arts Trust

Report of the trustees

For the year ended 31 March 2021

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total of such guarantees at 31 March 2021 was £100. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the charitable company during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 12 October 2021 and signed on their behalf by



Martin Baker - Chair

Independent auditors' report

To the members of

Barnet Education Arts Trust

Opinion

We have audited the financial statements of Barnet Education Arts Trust (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related notes to the financial statements, 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 Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 trustees' 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 charity'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

Independent auditors' report

To the members of

Barnet Education Arts Trust

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees 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 they 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.

Our 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.

Independent auditors' report

To the members of

Barnet Education Arts Trust

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 procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- (1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.
- (2) We reviewed the charity's policies and procedures in relation to:
 - Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
 - Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.
- (3) We inspected the minutes of trustee meetings.
- (4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.
- (5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.
- (6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.
- (7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:
 - Testing the appropriateness of journal entries;
 - Assessing judgements and accounting estimates for potential bias;
 - Reviewing related party transactions; and
 - Testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

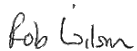
Independent auditors' report

To the members of

Barnet Education Arts Trust

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's members as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 12 October 2021

Rob Wilson FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

Barnet Education Arts Trust

Statement of financial activities *(incorporating an income and expenditure account)*

For the year ended 31 March 2021

	Note	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Income from:					
Donations and legacies	3	-	721,044	721,044	50,741
Charitable activities	4	607,172	629,177	1,236,349	2,077,563
Investments		-	331	331	368
Total income		<u>607,172</u>	<u>1,350,552</u>	<u>1,957,724</u>	<u>2,128,672</u>
Expenditure on:					
Raising funds		-	12,416	12,416	11,943
Charitable activities		<u>607,172</u>	<u>994,259</u>	<u>1,601,431</u>	<u>2,055,666</u>
Total expenditure	6	<u>607,172</u>	<u>1,006,675</u>	<u>1,613,847</u>	<u>2,067,609</u>
Net income and net movement in funds	7	-	343,877	343,877	61,063
Reconciliation of funds:					
Total funds brought forward		<u>12,961</u>	<u>187,018</u>	<u>199,979</u>	<u>138,916</u>
Total funds carried forward		<u><u>12,961</u></u>	<u><u>530,895</u></u>	<u><u>543,856</u></u>	<u><u>199,979</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the accounts.

Barnet Education Arts Trust

Balance sheet

As at 31 March 2021

	Note	£	2021 £	2020 £
Fixed assets				
Tangible assets	10		1,308	3,855
Current assets				
Debtors	11	91,612		103,960
Cash at bank and in hand		678,630		383,471
		770,242		487,431
Liabilities				
Creditors: amounts falling due within 1 year	12	(227,694)		(291,307)
Net current assets			542,548	196,124
Net assets	14		543,856	199,979
Funds	15			
Restricted funds			12,961	12,961
Unrestricted funds:				
Designated funds			78,437	78,437
General funds			452,458	108,581
Total charity funds			543,856	199,979

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

Approved by the trustees on 12 October 2021 and signed on their behalf by

Martin Baker

Martin Baker - Chair

Barnet Education Arts Trust**Statement of cash flows****For the year ended 31 March 2021**

	2021	2020
	£	£
Cash used in operating activities:		
Net movement in funds	343,877	61,063
Adjustments for:		
Depreciation charges	2,547	4,487
Interest received	(331)	(368)
Decrease / (increase) in debtors	12,348	(32,528)
Increase / (decrease) in creditors	(63,613)	(22,843)
Net cash provided by operating activities	<u>294,828</u>	<u>9,811</u>
Cash flows from investing activities:		
Interest received	<u>331</u>	<u>368</u>
Net cash used in investing activities	<u>331</u>	<u>368</u>
Increase in cash and cash equivalents in the year	295,159	10,179
Cash and cash equivalents at the beginning of the year	<u>383,471</u>	<u>373,292</u>
Cash and cash equivalents at the end of the year	<u><u>678,630</u></u>	<u><u>383,471</u></u>

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2021

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 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.

Barnet Education Arts Trust 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 note.

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. However, the COVID-19 pandemic has had a profound impact on the global economy, and has in turn affected the charity. The trustees have considered the impact of this issue on the charitable company's current and future financial position. The charity holds unrestricted, general reserves of £452,458 and a cash balance of £678,630. The charity has made significant use of the Coronavirus Job Retention Scheme during the year, and has continued to do so for the first 2 months of 2021-22. The charity has also benefitted from Cultural Recovery Fund grant income which has contributed significantly to unrestricted funds. The trustees consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of provision of music lessons, instrument hire or for future events is deferred until criteria for income recognition are met.

d) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

e) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2021

f) Expenditure and irrecoverable VAT

Expenditure and recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

g) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated in full to expenditure on charitable activities which is deemed to be reflective of the activities of the charity in this period.

h) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

All fixed assets	4 years
Assets used in a restricted project	Over the life of the funding of the project

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

l) Defined contribution pension scheme

The charitable company operates a defined contribution pension scheme for 2 of its employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. Pension costs charged in the financial statements represent the contributions payable by the charitable company during the year.

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2021

m) Defined benefit pension schemes treated as defined contribution pension schemes

Teachers' Pension Scheme

The charity makes pension contributions to the Teachers Pension Scheme which is a contracted out, unfunded, defined benefit occupational pension scheme operated by the Department for Education. Contributions to the scheme by employers and employees are set at rates determined by the Secretary of State. The scheme's payments are partially funded by the employer and employee contributions, the balance of funding being provided by Parliament through the annual Supply Estimates process. The scheme's administrative expenses are borne by the Department for Education.

The scheme has in excess of 3,700 participating employers and consequently the charity is not able to identify its share of the underlying financial position and performance of the scheme with sufficient reliability for accounting purposes. For the purposes of these financial statements, it is therefore accounted for on the same basis as a defined contribution scheme.

Local Government Pension Scheme

Barnet Education Arts Trust (BEAT) operates the services previously offered by Barnet Music Service, which was part of the local authority of The London Borough of Barnet. The assets and liabilities of the Barnet Music Service were transferred to BEAT in February 2013, including all staff of the service and responsibility for their pension schemes.

BEAT now participates in the Local Government Pension Scheme (LGPS), the scheme manager/administering authority being the London Borough of Barnet. The charity makes pension contributions for 1 employee who was previously employed by the Barnet Music Service. The scheme is closed to new members. This scheme is a funded defined benefit final salary scheme, meaning that the charity and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The charity has not recognised any provision with respect to this scheme as any deficit in respect of BEAT's employee and employer contributions has been guaranteed by the London Borough of Barnet up to 30 November 2021. A bond has been provided by The London Borough of Barnet of up to £76,000, which is the amount actuarially assessed in June 2020 to meet the shortfall. For the purposes of these financial statements, the scheme is therefore accounted for on the same basis as a defined contribution scheme.

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2021

n) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1h to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2020 Total £
Income from:			
Donations and legacies	12,961	37,780	50,741
Charitable activities	575,618	1,501,945	2,077,563
Investments	-	368	368
Total income	588,579	1,540,093	2,128,672
Expenditure on:			
Raising funds	-	11,943	11,943
Charitable activities	575,618	1,480,048	2,055,666
Total expenditure	575,618	1,491,991	2,067,609
Net income and net movement in funds	12,961	48,102	61,063

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2021

3. Income from donations and legacies

	Restricted £	Unrestricted £	2021 Total £
Coronavirus Job Retention Scheme	-	414,327	414,327
Arts Council England - Cultural Recovery Fund	-	300,000	300,000
Donations	-	6,717	6,717
	<u>-</u>	<u>721,044</u>	<u>721,044</u>

Prior period comparative:

	Restricted £	Unrestricted £	2020 Total £
Donations	<u>12,961</u>	<u>37,780</u>	<u>50,741</u>

4. Income from charitable activities

	Restricted £	Unrestricted £	2021 Total £
Grants and service level agreements			
Arts Council Funding - Music Education Hubs	514,216	-	514,216
London Music Fund	4,851	-	4,851
John Lyon's Charity	6,500	-	6,500
Arts Council Funding - Teacher's Pension Contributions	<u>81,605</u>	<u>-</u>	<u>81,605</u>
Total grants and service level agreements	<u>607,172</u>	<u>-</u>	<u>607,172</u>
Course contributions and other income			
Schools income	-	99,851	99,851
Individual instrument tuition	-	424,660	424,660
A level music	-	48,126	48,126
Events	-	45,460	45,460
Instrument hire	<u>-</u>	<u>11,080</u>	<u>11,080</u>
Total course contributions and other income	<u>-</u>	<u>629,177</u>	<u>629,177</u>
Total income from charitable activities	<u><u>607,172</u></u>	<u><u>629,177</u></u>	<u><u>1,236,349</u></u>

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2021

4. Income from charitable activities (continued)

Prior period comparative:

	Restricted £	Unrestricted £	2020 Total £
Grants and service level agreements			
Arts Council Funding - Music Education Hubs	512,385	-	512,385
London Music Fund	5,630	-	5,630
John Lyon's Charity	10,000	-	10,000
Arts Council Funding - Teacher's Pension Contributions	47,603	-	47,603
Total grants and service level agreements	<u>575,618</u>	<u>-</u>	<u>575,618</u>
Course contributions and other income			
Schools income	-	650,017	650,017
Individual instrument tuition	-	592,583	592,583
Music centres / activities	-	89,915	89,915
A level music	-	57,796	57,796
Events	-	92,505	92,505
Instrument hire	-	19,129	19,129
Total course contributions and other income	<u>-</u>	<u>1,501,945</u>	<u>1,501,945</u>
Total income from charitable activities	<u><u>575,618</u></u>	<u><u>1,501,945</u></u>	<u><u>2,077,563</u></u>

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2021

5. Government grants

The charitable company receives government support under the Coronavirus Job Retention Scheme and funding from Arts Council England to fund charitable activities. The total value of such grants in the period ending 31 March 2021 was £1,310,148 (2020: £559,988). There are no unfulfilled conditions or contingencies attaching to these grants in 2020/21.

6. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2021 Total £
Music lessons and events				
Instruments and music	-	8,162	-	8,162
Music teachers (note 8)	12,416	1,286,996	-	1,299,412
Teacher training	-	3,094	-	3,094
External trainers and musicians	-	221	-	221
Educational partners	-	9,232	-	9,232
Venue hire	-	1,037	-	1,037
Subscriptions	-	3,546	-	3,546
Administrative costs				
Printing, postage and stationery	-	-	1,940	1,940
Telecoms and computer	-	-	16,492	16,492
Equipment hire	-	-	1,608	1,608
Premises expenses	-	-	13,367	13,367
Insurance	-	-	14,063	14,063
Bank charges	-	-	7,053	7,053
Payroll and human resources	-	-	9,749	9,749
Staff (note 8)	-	-	212,861	212,861
Professional fees	-	-	9,463	9,463
Depreciation	-	-	2,547	2,547
Sub-total	12,416	1,312,288	289,143	1,613,847
Allocation of support and governance costs	-	289,143	(289,143)	-
Total expenditure	12,416	1,601,431	-	1,613,847

Total governance costs were £9,463 (2020: £10,226).

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2021

6. Total expenditure (continued)

Prior period comparative:

	Raising funds £	Charitable activities £	Support and governance costs £	2020 Total £
Music lessons and events				
Instruments and music	-	6,185	-	6,185
Music teachers (note 8)	11,943	1,588,874	-	1,600,817
Teacher training	-	2,788	-	2,788
External trainers and musicians	-	23,342	-	23,342
Educational partners	-	9,593	-	9,593
Events	-	73,490	-	73,490
Venue hire	-	27,171	-	27,171
Subscriptions	-	1,032	-	1,032
Administrative costs				
Printing, postage and stationery	-	-	5,125	5,125
Telecoms and computer	-	-	17,592	17,592
Equipment hire	-	-	1,888	1,888
Premises expenses	-	-	31,045	31,045
Insurance	-	-	14,417	14,417
Bank charges	-	-	12,937	12,937
Payroll and human resources	-	-	10,716	10,716
Training and conferences	-	-	90	90
Staff (note 8)	-	-	214,068	214,068
Professional fees	-	-	10,826	10,826
Depreciation	-	-	4,487	4,487
Sub-total	11,943	1,732,475	323,191	2,067,609
Allocation of support and governance costs	-	323,191	(323,191)	-
Total expenditure	11,943	2,055,666	-	2,067,609

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2021

7. Net movement in funds

This is stated after charging:

	2021 £	2020 £
Depreciation	2,547	4,487
Trustees' reimbursed expenses	Nil	Nil
Trustees' remuneration	Nil	Nil
Auditors' remuneration:		
▪ Statutory audit (including VAT)	8,460	8,160
▪ Other services	930	870
Operating lease rentals	<u>5,920</u>	<u>21,553</u>

8. Staff costs and numbers

Staff costs were as follows:

	2021 £	2020 £
Teachers wages	950,378	1,138,758
Teachers social security	55,043	73,967
Teachers pension	194,911	211,850
Self employed teachers	<u>99,080</u>	<u>176,242</u>
	1,299,412	1,600,817
Staff wages	162,559	166,551
Staff social security	15,593	15,515
Staff pension	<u>34,709</u>	<u>32,002</u>
	<u>1,512,273</u>	<u>1,814,885</u>

One employee earned received employee benefits (excluding employer pension costs) of between £60,000 and £70,000 during the year (2020 - one).

The key management personnel of the charity comprise the Chief Executive Officer and the three Directors of Standards and Excellence. The total employee benefits of the key management personnel of the charity were £221,217 (2020: £174,822).

	2021 No.	2020 No.
Average head count during the year	<u>86</u>	<u>96</u>

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2021

9. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10. Tangible fixed assets

	Musical instruments £	Computer equipment £	Total £
Cost			
At 1 April 2020 and at 31 March 2021	<u>25,331</u>	<u>11,846</u>	<u>37,177</u>
Depreciation			
At 1 April 2020	22,810	10,512	33,322
Charge for the year	<u>1,802</u>	<u>745</u>	<u>2,547</u>
At 31 March 2021	<u>24,612</u>	<u>11,257</u>	<u>35,869</u>
Net book value			
At 31 March 2021	<u>719</u>	<u>589</u>	<u>1,308</u>
At 31 March 2020	<u>2,521</u>	<u>1,334</u>	<u>3,855</u>

11. Debtors

	2021 £	2020 £
Trade debtors	24,291	68,008
Prepayments	14,636	35,952
Accrued income	<u>52,685</u>	<u>-</u>
	<u>91,612</u>	<u>103,960</u>

12. Creditors : amounts due within 1 year

	2021 £	2020 £
Trade creditors	12,292	10,791
Accruals	10,585	12,091
PAYE and social security	22,448	25,088
Deferred income (note 13)	153,902	194,347
Other creditors	<u>28,467</u>	<u>48,990</u>
	<u>227,694</u>	<u>291,307</u>

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2021

13. Deferred income

	2021 £	2020 £
At 1 April 2020	194,347	240,759
Amounts deferred during the year	153,902	194,347
Amounts released during the year	(194,347)	(240,759)
At 31 March 2021	153,902	194,347

Deferred income relates to music lessons, instrument hire and events income which has been invoiced for in advance.

14. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	1,308	1,308
Current assets	12,961	78,437	678,844	770,242
Current liabilities	-	-	(227,694)	(227,694)
Net assets at 31 March 2021	12,961	78,437	452,458	543,856

	Restricted funds £	Designated funds £	General funds £	Total funds £
Prior period comparative				
Tangible fixed assets	-	-	3,855	3,855
Current assets	12,961	78,437	396,033	487,431
Current liabilities	-	-	(291,307)	(291,307)
Net assets at 31 March 2020	12,961	78,437	108,581	199,979

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2021

15. Movements in funds

	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
Restricted funds				
Arts Council Funding - Music Education Hubs	-	514,216	(514,216)	-
London Music Fund	-	4,851	(4,851)	-
John Lyon's Foundation	-	6,500	(6,500)	-
Royal Albert Hall Concert	12,961	-	-	12,961
Arts Council Funding - Teacher's Pension Contributions	-	81,605	(81,605)	-
Total restricted funds	12,961	607,172	(607,172)	12,961
Unrestricted funds				
<i>Designated funds</i>				
Teachers' Pensions	78,437	-	-	78,437
<i>Total designated funds</i>	78,437	-	-	78,437
General funds	108,581	1,350,552	(1,006,675)	452,458
Total unrestricted funds	187,018	1,350,552	(1,006,675)	530,895
Total funds	199,979	1,957,724	(1,613,847)	543,856

Purposes of restricted funds

Arts Council Funding - Music Education Hubs

The Music Education grant is awarded following a written submission to the Arts Council as to the activities which will be provided. This written submission can be found on the Arts Council website - all activities undertaken are reported directly to the Arts Council on a quarterly basis. The purpose of the grant is to provide music education activities to young people attending school in or living in the London Borough of Barnet.

London Music Fund

This grant is to provide music scholarships for named children agreed by the office of the Mayor's fund for Music Education. The scholarships provide for the cost of music tuition on one instrument and ensemble provision for each child named.

John Lyon's Foundation

This grant is to provide music scholarships, providing for the cost of music tuition on one instrument and ensemble provision for each child named.

Royal Albert Hall Concert

£12,961 of donations during 2019-20 were explicitly collected to support Royal Albert Hall event. As it had to be cancelled due to COVID-19 these funds will remain restricted.

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2021

15. Movements in funds (continued)

Purposes of restricted funds (continued)

Arts Council Funding - Teacher's Pension Contributions

This grant is awarded towards Music Education Hubs' Teachers Pension contributions for 2020-21. It is allocated by the Department for Education in recognition of the increase of employers' pension contributions from September 2019.

Purposes of designated funds

Teachers' Pensions

This designated fund represents funds placed on deposit as a guarantee for teachers' pensions. Without this amount the Teachers' Pensions organisation would not allow BEAT teachers to remain in the Teachers' Pension Scheme.

Prior period comparatives	At 1 April 2019 £	Income £	Expenditure £	At 31 March 2020 £
Restricted funds				
Arts Council Funding - Music Education Hubs	-	512,385	(512,385)	-
London Music Fund	-	5,630	(5,630)	-
John Lyon's Foundation	-	10,000	(10,000)	-
Royal Albert Hall Concert	-	12,961	-	12,961
Arts Council Funding - Teacher's Pension Contributions	-	47,603	(47,603)	-
Total restricted funds	-	588,579	(575,618)	12,961
Unrestricted funds				
<i>Designated funds</i>				
Teachers' Pensions	78,437	-	-	78,437
<i>Total designated funds</i>	78,437	-	-	78,437
General funds	60,479	1,540,093	(1,491,991)	108,581
Total unrestricted funds	138,916	1,540,093	(1,491,991)	187,018
Total funds	138,916	2,128,672	(2,067,609)	199,979

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2021

16. Operating lease rentals

The charity had operating leases at the year end with total future minimum lease payments as follows:

	2021 £	2020 £
Amount falling due:		
Within 1 year	22,000	5,920
Within 1 - 5 years	<u>34,375</u>	<u>3,717</u>
	<u>56,375</u>	<u>9,637</u>

17. Related party transactions

Katie Dawbarn, trustee, is also a senior employee of Dollis Primary School. BEAT made payments in respect of office rental during the year of £9,567 (2020: £21,581).