

NOTTINGHAM MUSIC SERVICE

England & Wales · Charity number 1153716

Details

Other names	NMS
Status	Registered
Legal form	CIO
Registered	2013-09-06
Register	View on the Charity Commission register

Contact

Address	Labes House 4 Waterway Street West Nottingham NG2 1NL
Phone	07719146007
Email	info@nottinghammusicclub.org.uk
Website	www.nottinghammusicclub.org.uk

Activities

Objects: TO ADVANCE THE EDUCATION, ACCESSIBILITY AND ENJOYMENT OF MUSIC AND THE ARTS FOR CHILDREN AND YOUNG PEOPLE

Activities: Our vision is that all children and young people in Nottingham have an inspiring and rewarding experience of making music with others. Our mission is to facilitate joyous, life-enhancing and confidence-building experiences that equip children and young people with perseverance, self belief and a life-long love of music.

Classification

- **How:** Provides Services
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People

Geography

- Nottingham City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,125,942	£1,085,186	£946,033	30
2024-03-31	£1,094,305	£1,094,835	£905,277	32
2023-03-31	£1,090,139	£1,147,644	£905,807	40
2022-03-31	£375,806	£1,012,039	£963,312	37
2021-03-31	£998,846	£884,033	£978,359	33

Trustees

Name	Role	Appointed
Cheryl Susan Atkinson		2024-01-08
Courtney Harrison		2023-10-30
Elizabeth Lesquereux		2023-07-30
MICHAEL HENRY		2023-10-30
NIGEL COOKE		2018-02-28
Wendy Barbara Smith		2024-01-08

NOTTINGHAM MUSIC SERVICE

England & Wales - Charity number 1153716

Accounts

Charity registration number 1153716 (England and Wales)

**NOTTINGHAM MUSIC SERVICE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

NOTTINGHAM MUSIC SERVICE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr N Cooke
Mrs L Lesquereux (Chair)
Mr M Henry
Mrs C Harrison
Mrs C Atkinson
Ms U Joshi
Ms W Smith

Senior Management Team

Mr I Burton, CEO
Mr M Aspinall, Business Operations and Strategy Manager

Charity number

1153716

Principal address

Labes House
4 Waterway Street West

NG2 1NL

Auditor

Rogers Spencer
Newstead House
Pelham Road
Nottingham
NG5 1AP

Bankers

CAF bank Ltd
25 Kings Hill avenue
Kings Hill
West Malling
Kent
ME19 4JQ

NOTTINGHAM MUSIC SERVICE

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NOTTINGHAM MUSIC SERVICE

CHAIR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2025

I took on the role of Chair of Nottingham Music Service in September 2024, following James Gibbons, who led the Board with commitment and care over several years. I'd like to thank James for his contribution and am pleased to share that he continues to support our work as Chair of the newly formed Nottingham City/ Nottinghamshire Music Hub Consortium Board. Our Treasurer, David Wesker, also retired from the Board in September. It is thanks to his prudent financial management and planning that we remain a financially viable organisation. I extend my thanks and best wishes to him.

The formation of the consortium is a significant development in the evolution of Nottingham Music Service. It allows us to work more closely across both the city and county, sharing resources and events. We are already seeing benefits through joint planning, shared events, and a more coordinated approach to supporting schools and young people. It also gives us a stronger platform to respond to national changes in music education.

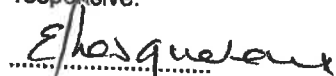
In December 2024, we moved into our new organisational base at Labes House. This is a really positive move, which has taken us over eight years to find the perfect base for our work. It has provided us with space for our staff and students, and we have been able to utilise some of our reserves to renovate the building, providing improved facilities for rehearsals, meetings, and events. It has helped us work more efficiently and created a central point for our activities—something that has been lacking since before lockdown. The building is now used daily for ensembles, rehearsals, and as our office space, and has quickly become an important part of our organisational identity.

Our staff have continued to deliver high-quality teaching and support across Nottingham City. Their work in schools, ensembles, and behind the scenes has helped us reach more pupils and maintain a strong programme of events. I want to thank them for their ongoing dedication and professionalism.

Whether learning in school, rehearsing in ensembles, or performing in public, the young people who use our services continue to engage with music and develop their skills. Their progress and enthusiasm are central to everything we do, and we remain focused on ensuring they have the support and opportunities they need.

We are aware of the financial pressures facing music education, schools, and families, and so are working to find new ways of delivering our services that are both effective and sustainable. The consortium gives us a stronger foundation to do this, and we will continue to explore new approaches.

Looking ahead to next year, we will continue to evolve our ensembles at Labes House and how we use the building, creating a consistent and accessible base for rehearsals, ensembles, and small groups. This will allow us to increase the sense of community among our young musicians. We will also continue to review our provision to meet the changing needs of pupils and schools, ensuring that our programmes remain inclusive, relevant, and responsive.



Liz Lesquereux

Chair of Trustees

Date: 5/12/25

NOTTINGHAM MUSIC SERVICE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "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)" (effective 1 January 2019).

Objectives and activities

The Charitable Objects of the Charity, as taken from the constitution are to advance the education, accessibility and enjoyment of music and the arts for children and young people.

Nottingham City has a very tight inner-city boundary and is one of the most deprived areas in the country where residents have some of the lowest household disposable income in the UK according to the Office for National Statistics.

We believe that music makes a difference. As a registered charity and a partner for the Nottingham/Nottinghamshire Music Education Hub Consortium, we are committed to making music more accessible and inclusive. We support young people from across the city to develop their musical skills, and participate in diverse ensembles and performances, contributing to the life of our special city.

Strategies for achieving aims and objectives

Prior to 2002, music making in the city was very limited, with only 15% of the schools providing an opportunity to learn to play an instrument. Nottingham Music Service (NMS) started its work on principles of access, inclusion, quality, progression and civic engagement. Our strategies are designed to include children of all backgrounds, including those who do not have support for music making.

We provide whole class instrumental teaching, and in 2024/25 67% of city primary schools received a First Access programme (which includes Whole Class Ensemble teaching incorporating In Harmony principles, (see below) run or supported by NMS. This is slightly down on last year (72% in 2023/24) due to four schools no longer having the financial resources to buy in our services. We also provide progression routes so that young people can continue their music making outside of school and advance as musicians. Our Area Bands are beginner ensembles provided after school, while our Saturday Music School (working in partnership with the Nottingham Contemporary and Nottingham College) provides a clear progression route into one of our orchestras (RHYO Interconnect and our flagship Robin Hood Youth Orchestra).

Key programmes include:

1. Whole Class Ensemble Teaching (WCET) programme — a year of ensemble teaching in whole classes on a range of instruments;
2. Music Camps — two day residentials for post-WCET pupils to kick start their learning into year 5 and beyond;
3. Area Bands — a network of small Area Bands based in schools across the city, available for pupils to access immediately after their WCE year;
4. Nottingham Music School — operating on Saturday mornings providing ensemble opportunities through the Robin Hood Youth Orchestra (RHYO) family of ensembles
5. Singing Strategy — a programme of singing incorporated into our repertoire, events and teaching;
6. Continual Professional Development (CPD) and events;
7. Exam strategy - Accredited by Music Teachers Board (MTB). Targeted online support sessions for large scale Grade 1 and Grade 2 entries across the city;
8. Events — an annual programme of events including Christmas in the City, Sing City, the Great Orchestra Experiment, Interconnect Tour, large scale Area Bands Concerts and an end of year RHYO tour including a large scale concert.

NOTTINGHAM MUSIC SERVICE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

In Harmony (IH) - Nottingham Music Service delivers one of only six In Harmony programmes across England. Inspired by the principles of Venezuela's inspirational El Sistema, In Harmony is a national programme that aims to inspire and transform the lives of children in deprived communities, using the power and disciplines of community-based orchestral music-making. In September 2024 we learnt that the In Harmony programme funding would be extended to March 31st 2026.

The IH funding allows us to enhance our provision with the principles of In Harmony. This includes training staff, offering an internship to an ex member of RHYO and increasing our after school provision.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

This has been a year of change for Nottingham Music Service.

In April 2024 we formed a city and county wide Music Hub consortium with Inspire Music, with them being the Hub Lead Organisation (HLO). We have recruited 12 members to the consortium board and held our first board meeting in June 2025 and have started to co-deliver services and events across the city and county.

In December 2024 we took the lease over for Labes House which is now the base for our office and all our ensembles and orchestras. This is fruition of an eight-year search for premises and a large step forward and for the organisation which helps to build a sense of identity and community for our young musicians and staff.

- In December 2024 we held four Christmas in the City concerts across in various venues (Nottingham Albert Hall, St Marys Church, Fisher Gate Point and Nottingham Contemporary). These events showcase all our orchestras, ensembles, bands and choirs. Over the four events we had 1241 audience members attend and a total of 779 students performing.
- In January 2025 we launched Musiquet which was an online, interractional musical quest based on gaming models involving young people listening closely to music, solving puzzles whilst inadvertently gaining deep aural experience of many of the major concepts of the model music curriculum. Over the time it ran we had over 400 completed challenges involving 74 classes in 24 schools.
- In February 2025 we successfully delivered our revised Sing City competition. This has proved to be one of our most successful events with nearly 40 entrants. The winners have had the opportunity to have a filmed interview and performance (Filmed by students from Nottingham College) and sing at events across the city.
- We have diversified our ensembles to include non-orchestral instruments focusing on guitars, drums, keyboard and voice. These have proved very popular.
- In June 2025 we delivered a large scale event working with the Transform Trust. This included 25 schools across Nottingham City, Nottinghamshire and Derby and culminated in a event attended by over 500 pupils. School teaching staff were also provided with resources to deliver CPD in their schools to ensure that learning continues after the event.
- In July 2024 our Robin Hood Youth Orchestra undertook a tour to Karlsruhe in Germany. This was part of our partnership with the Jungendorchester Stadt (JOK). Which means that every two years we visit Karlsruhe or JOK visit us. The tour involved 3 days in Black Forest playing at various events in the local area and then moving on to stay in Karlsruhe centre playing at a large civic concert, as a combined orchestra.

NOTTINGHAM MUSIC SERVICE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Financial review

Overview

Despite continued financial pressures and funding uncertainties, Nottingham Music Service (NMS) has ended the financial year with a healthy surplus of £41,065, a notable improvement from the modest £500 surplus in the previous year. The trustees are satisfied that the organisation remains financially resilient, with adequate reserves and cash flow to meet its commitments, and continue to adopt the going concern basis in preparing the financial statements.

Income and Funding

- Total income increased by 2% (excluding one-off project funding), rising from £1,090,140 to £1,112,458. A welcome continuation of In Harmony funding to March 2026 was received, though late notification limits long-term planning. School income showed a modest 1% rise to £374,785, a positive result given the continued strain on school budgets. Ticket sales from student performances remained strong at £19,101 (2023/24: £19,158).
- We were successful in our application for Arts Council National Lottery Project Grants and secured £26,970 to fund a two year Great Little Orchestra Project, £13,485 during this financial year and next.

Expenditure

Total expenditure rose marginally by under 1% to £1,084,877 (2023/24: £1,076,712), despite:

- A £20,000 increase in employer National Insurance contributions.
- A 3% consortium administration fee reducing our core funding.

The board agreed a 3% pay rise for staff in September 2024.

Fundraising

Fundraising continues to be a strong area:

- Over £60,000 has been raised for the third consecutive year.
- Significant support received from a range of trusts, foundations, and individual donors, including:
- £10,000 annually from a private donor over three years.

Trusts & Foundations grants include:

£15,000 from BBC Children in Need (year two of a two-year grant) in support of the Robin Hood Youth Orchestra, £10,000 from Garfield Weston in support of Interconnect, £5,000 from German UK Connections in support of Karlsruhe residential, £4,000 from the Harrison-Frank Family Foundation, £3,500 from The Backstage Trust, £3,000 from D'Oyly Carte, £1500 from Browne Jacobson, £1,200 from the Wiggin Foundation and £1,000 from The Forman Hardy Charitable Trust and Groundwork UK (Tesco). These donations fund vital work in providing children the opportunity to engage with music outside of the classroom environment.

For the second year running we have run a successful Big Give Campaign resulting in Big Give Trust matching £1,000 of pledges.

NOTTINGHAM MUSIC SERVICE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Going concern

Despite uncertainty regarding the consortium arrangements and In Harmony funding beyond 2026, the trustees have approved a 2025/26 budget projecting a small surplus (£1,503). With robust reserves and a prudent approach to budgeting, the organisation is well placed to meet its obligations.

Principal Funding Sources

40% of annual income is derived from the DfE Music Education Hub grant via Arts Council England.

Other significant income streams include:

- In Harmony Grant: £150,000
- School buy-in teaching packages: £374,785
- Live performance income: £19,101
- Music School income and parent paid teaching £13,677
- Area band income £7,816

Conclusion

This has been a financially positive and strategically important year for Nottingham Music Service. Despite challenges from inflationary pressures and funding unpredictability, the organisation remains stable, has invested wisely in its future premises, and continues to be supported by schools, funders, and the wider community.

Reserves and Designated Funds

As of 31 March 2025:

- Free reserves: £405,930
- Restricted reserves: £114,797 (relating to instrument assets received from Nottingham City Council, 2013) & £1,208 ACE funding for Great Little Orchestra Project balance transferred to year 2 of the project.

Designated reserves:

- £200,000 contingency fund for wind-down liabilities.
- £218,789 Charity Base Fund (relating to new premises).
- £5,339 Development Fund.

Trustees review reserve levels quarterly and annually to ensure financial sustainability.

Premises and Capital Investment

- NMS secured a new permanent base, enhancing service delivery and operational efficiency.
- The building allows for more integrated ensemble work, greater event capacity, and reduced storage and office costs.
- Of the £300,000 designated for premises, £81,241 was spent and capitalised in this financial year towards making the venue fit for purpose. Total estimated refurbishment cost is £160,000.

Major risks and management of those risks

Risks Identified

The annual business plan draws attention to risks including financial, legal/governance, health and safety, quality and HR related. We are satisfied that appropriate financial systems and controls, and employment policies and practices are in place, but we continue to test and refine these processes during board meetings and in continual policy review.

As Trustees, we feel that the key risks facing the charity at this time are operational risks arising from the very stretched organisational capacity and the uncertainty around long term funding for music hubs. To address this we need to ensure that the organisation is best placed to meet these challenges through adapting and restructuring.

NOTTINGHAM MUSIC SERVICE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Plans for future periods

- Tackling musical engagement at secondary level, which is not as strong as our engagement at primary level. While acknowledging this as a national issue with specific local problems (25% of city secondary schools have no music provision). We aim to become more responsive to the need of secondary schools by employing more hourly paid tutors who can deliver individual lessons to small groups or on a one to one basis. It is anticipated that this will form the basis of a new pathway where talented young people from disadvantaged backgrounds have the opportunity to continue pursuing music once they move from primary education.
- Developing new ensembles outside school to support young people at both primary and secondary levels
- Improving access to musical accreditation for city pupils through our work with the MTB exam Board.
- Enabling more young people to engage with the contemporary approach to musical training developed through the RHYO family (mix of genres, different learning styles from different cultures, student ownership, young leaders, involvement in a range of civic/community events, traditional and unique events);
- Building bridges between RHYO and more traditional ensembles and adult ensembles so that more city children can benefit from experiencing complementary approaches and experiences;
- To continually invigorate the existing WCET programme, strengthen the partnership with the music hub, develop staff skills in supporting children musically and enable children to access our unique musical progression framework which has been adapted to include recommendations of the new National Music Curriculum;
- Strengthening the links between music hub activities and the local music industry /community to provide suitable challenges and progression routes for young people with musical interests and skills in rock/pop areas by building on existing links.

We are keen to engage further with our partners to work together in tackling the genuine musical needs of city children, as we are aware that the current experience of many local arts organisations is primarily with more affluent young people from outside the city boundaries.

Structure, governance and management

The charity is operated under the rules of its constitution adopted 17 July 2013.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr J G Gibbons	(Resigned 31 October 2024)
Mr D Wesker	(Resigned 30 September 2024)
Mr D Mellen	(Resigned 30 September 2024)
Mr N Cooke	
Mrs R Jacobs	(Resigned 31 January 2025)
Mrs L Lesquereux (Chair)	
Mr M Henry	
Mrs C Harrison	
Mrs C Atkinson	
Ms U Joshi	
Ms W Smith	

Recruitment and appointment of trustees

There must be a minimum of three and maximum of 12 trustees with every trustee appointed for a term of three years. In selecting individuals, the trustees have regard to the skills, knowledge and experience needed for the effective governance of the CIO. Trustees visit charity events throughout the year and where appropriate, have attended training seminars and conferences on behalf of the organisation.

NOTTINGHAM MUSIC SERVICE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Organisational structure

Nottingham Music Service is a Charitable Incorporated Organisation. We, as the Board of Trustees, are responsible for the governance, strategic direction and policies of Nottingham Music Service. We currently have 6 members from a variety of different backgrounds, identified specifically for their individual experience and expertise. We usually meet quarterly, but have more frequent meetings when necessary, such as around the time of the establishment of the charity or the end of year.

We delegate day-to-day responsibility for the provision of Nottingham Music Service's activities to the Chief Executive Officer and the Business and Operations Manager who are responsible for ensuring that the charity delivers the services specified in the Business Plan and for operational management of the organisation.

Arrangements for setting key management personnel remuneration

The charity has two senior managers, who are: Chief Executive Officer and the Deputy CEO. The Chief Executive Officer is the only member of staff still seconded from Nottingham City Council (NCC) and as such his pay is set by NCC. The pay of the Deputy CEO has been set by a panel consisting of CEO, Finance Manager and Trustee (either Vice Chair or HR link trustee) and is in line with the wider cultural and charity sectors.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



Mrs L Lesquereux (Chair)
Trustee

Date: 5/12/25

NOTTINGHAM MUSIC SERVICE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2025

The trustees 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).

The law applicable to charities in England and Wales 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 incoming resources and application of resources of the charity for that year.

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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 sufficient accounting records that 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

NOTTINGHAM MUSIC SERVICE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF NOTTINGHAM MUSIC SERVICE

Opinion

We have audited the financial statements of Nottingham Music Service (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 2025 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 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 contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

NOTTINGHAM MUSIC SERVICE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF NOTTINGHAM MUSIC SERVICE

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, 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 the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussions with trustees and other management, and from our knowledge and experience of the charity sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting relevant correspondence; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

NOTTINGHAM MUSIC SERVICE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF NOTTINGHAM MUSIC SERVICE

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- Understanding the design of the charity's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims; and
- Reviewing correspondence with relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

NOTTINGHAM MUSIC SERVICE

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF NOTTINGHAM MUSIC SERVICE**



**Melvin Bailey FCCA DChA (Senior statutory auditor)
for and on behalf of Rogers Spencer**

16/12/25
.....

**Chartered Accountants
Statutory Auditor**

**Newstead House
Pelham Road
Nottingham
NG5 1AP**

Rogers Spencer is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

NOTTINGHAM MUSIC SERVICE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

		Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	Notes	2025 £	2025 £	2025 £	(as restated) 2024 £	(as restated) 2024 £	(as restated) 2024 £
Income from:							
Donations and legacies	3	28,992	665,179	694,171	23,213	650,219	673,432
Charitable activities	4	431,771	-	431,771	420,873	-	420,873
Total income		<u>460,763</u>	<u>665,179</u>	<u>1,125,942</u>	<u>444,086</u>	<u>650,219</u>	<u>1,094,305</u>
Expenditure on:							
Raising funds	5	-	5,845	5,845	-	1,491	1,491
Charitable activities	6	391,570	687,771	1,079,341	414,970	678,374	1,093,344
Total expenditure		<u>391,570</u>	<u>693,616</u>	<u>1,085,186</u>	<u>414,970</u>	<u>679,865</u>	<u>1,094,835</u>
Net income/(expenditure) and movement in funds		69,193	(28,437)	40,756	29,116	(29,646)	(530)
Reconciliation of funds:							
Fund balances at 1 April 2024		<u>760,835</u>	<u>144,442</u>	<u>905,277</u>	<u>731,719</u>	<u>174,088</u>	<u>905,807</u>
Fund balances at 31 March 2025		<u>830,028</u>	<u>116,005</u>	<u>946,033</u>	<u>760,835</u>	<u>144,442</u>	<u>905,277</u>

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


NOTTINGHAM MUSIC SERVICE

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Tangible assets	11		322,612		280,215
Current assets					
Debtors	12	55,273		65,448	
Cash at bank and in hand		762,658		836,964	
Creditors: amounts falling due within one year	13	817,931		902,412	
		(194,510)		(277,350)	
Net current assets			623,421		625,062
Total assets less current liabilities			946,033		905,277
The funds of the charity					
Restricted income funds	15		116,005		144,442
Unrestricted funds	16		830,028		760,835
			946,033		905,277

The financial statements were approved by the trustees on 5/12/25


 Mrs L Lesquereux (Chair)
 Trustee

NOTTINGHAM MUSIC SERVICE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated from operations	23		14,419		111,168
Investing activities					
Purchase of tangible fixed assets		(88,725)		(6,679)	
Net cash used in investing activities			(88,725)		(6,679)
Net (decrease)/increase in cash and cash equivalents			(74,306)		104,489
Cash and cash equivalents at beginning of year			836,964		732,475
Cash and cash equivalents at end of year			<u>762,658</u>		<u>836,964</u>

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity Information

Nottingham Music Service is a Charitable Incorporated Organisation in the United Kingdom. The address of the principal office is The Litehouse, Crocus Street, Nottingham, NG2 3DP

1.1 Basis of preparation

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, unless otherwise stated in the relevant accounting policy notes. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Voluntary income – including donations, gifts, legacies and grants – that provides core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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.

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.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10% straight line (10 years)
Musical instruments	6.67% straight line (15 years)
IT equipment	33.33% straight line (3 years)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

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

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

1.10 Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

1.11 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.

Designated funds are unrestricted funds and resources set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.12 Pensions and other post-retirement obligations

The Charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the Charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

A number of staff within the charity are seconded from Nottingham City Council. The council operates a defined benefit pension scheme. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

3 Donations and legacies

	Unrestricted funds		Restricted funds		Total		Unrestricted funds		Restricted funds		Total	
	2025	2025	2025	2025	2025	2025	2024	2024	2024	2024	2024	2024
	£	£	£	£	£	£	£	£	£	£	£	£
Grants	-	665,179	665,179	-	-	-	-	-	650,219	650,219	650,219	650,219
Gift aid	3,871	-	3,871	-	3,449	3,449	3,449	-	-	-	3,449	3,449
Donations	25,121	-	25,121	-	19,764	19,764	19,764	-	-	-	19,764	19,764
	<u>28,992</u>	<u>665,179</u>	<u>694,171</u>	<u>665,179</u>	<u>23,213</u>	<u>694,171</u>	<u>23,213</u>	<u>650,219</u>	<u>650,219</u>	<u>650,219</u>	<u>673,432</u>	<u>673,432</u>

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

4 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Music tuition - Primary	283,837	247,692
Music tuition - Secondary & Special	94,608	115,305
After school ensembles	-	13,862
Performances & events	44,520	31,760
Exams	3,496	3,741
Instrument hire	3,254	3,037
Speakers & score arrangement fees	-	2,360
Other income	2,056	3,116
	<u>431,771</u>	<u>420,873</u>

5 Expenditure on raising funds

	Restricted funds 2025 £	Restricted funds 2024 £
Fundraising and publicity		
Seeking donations, grants and legacies	5,845	1,491
	<u>5,845</u>	<u>1,491</u>

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

6 Charitable activities

	2025 £	2024 £
Staff costs		
Depreciation and impairment	776,810	818,069
Accreditation	46,328	48,244
Bank charges	5,561	5,522
CPD and quality assurance	597	870
Equipment	4,252	4,016
Events	2,382	3,217
Instrument replacement and repairs	84,561	79,867
Insurance	8,091	8,765
IT upgrade	9,492	9,772
Legal & professional fees	7,946	8,555
Materials	19,750	19,831
Ongoing travel	3,188	2,816
Partnership costs	33	126
Postage & carriage	13,317	1,800
Repairs & renewals	765	836
Recruitment	2,995	840
Rent office & storage	400	2,150
Safeguarding	41,248	37,908
Telephone & office costs	1,055	2,094
Subscriptions & publications	6,531	5,935
Sundry costs	2,824	3,378
Venue hire (music school)	299	1,205
	40,916	27,528
	<u>1,079,341</u>	<u>1,093,344</u>

Analysis by fund

	(as restated)	
Unrestricted funds	391,570	414,970
Restricted funds	687,771	678,374
	<u>1,079,341</u>	<u>1,093,344</u>

7 Net movement in funds

The net movement in funds is stated after charging/(crediting):

	2025 £	2024 £
Depreciation of owned tangible fixed assets	<u>46,328</u>	<u>48,244</u>

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
	30	32
	<u>30</u>	<u>32</u>
Employment costs		
	2025 £	2024 £
Wages and salaries	702,818	713,961
Social security costs	40,867	55,408
Other pension costs	32,522	46,754
	<u>776,207</u>	<u>816,123</u>

Redundancy and termination payments totalling £nil (2024 - £18,539) were made in the reporting period.

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2025 £	2024 £
	89,003	157,788
	<u>89,003</u>	<u>157,788</u>

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

11 Tangible fixed assets

	Leasehold improvements £	Musical instruments £	IT equipment £	Total £
Cost				
At 1 April 2024	-	626,606	64,286	690,892
Additions	80,931	793	7,001	88,725
At 31 March 2025	<u>80,931</u>	<u>627,399</u>	<u>71,287</u>	<u>779,617</u>
Depreciation and impairment				
At 1 April 2024	-	350,492	60,185	410,677
Depreciation charged in the year	-	41,827	4,501	46,328
At 31 March 2025	<u>-</u>	<u>392,319</u>	<u>64,686</u>	<u>457,005</u>
Carrying amount				
At 31 March 2025	<u>80,931</u>	<u>235,080</u>	<u>6,601</u>	<u>322,612</u>
At 31 March 2024	<u>-</u>	<u>276,114</u>	<u>4,101</u>	<u>280,215</u>

12 Debtors

Amounts falling due within one year:	2025 £	2024 £
Trade debtors	7,820	29,689
Other debtors	17,796	3,010
Prepayments and accrued income	29,657	32,749
	<u>55,273</u>	<u>65,448</u>

13 Creditors: amounts falling due within one year

	Notes	2025 £	2024 £
Other taxation and social security		9,971	11,669
Deferred income	14	125,958	164,696
Trade creditors		32,061	54,289
Other creditors		5,259	4,766
Accruals		21,261	41,930
		<u>194,510</u>	<u>277,350</u>

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

14 Deferred Income

	2025 £	2024 £
Other deferred income	125,958	164,696

Deferred income is included in the financial statements as follows:

	2025 £	2024 £
Deferred income is included within:		
Current liabilities	125,958	164,696
Movements in the year:		
Deferred income at 1 April 2024	164,696	117,762
Released from previous periods	(164,696)	(117,762)
Resources deferred in the year	125,958	164,696
Deferred income at 31 March 2025	125,958	164,696

Deferred Income represents income received during the current year for service agreements that run into future years.

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

15 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Balance at	Movement in funds		Balance at	Movement in funds		Balance at
	1 April 2023	Incoming resources	Resources expended	1 April 2024	Incoming resources	Resources expended	31 March 2025
	£	£	(as restated)	£	£	£	£
NCC Asset Transfer	174,088	-	(29,645)	144,442	-	(29,645)	114,797
Music Hub (General)	-	91,988	(91,988)	-	90,643	(90,643)	-
Music Hub (Core + Extension)	-	367,953	(367,953)	-	362,571	(362,571)	-
In Harmony	-	75,000	(75,000)	-	-	-	-
Funded	-	75,000	(75,000)	-	-	-	-
Arts Council In Harmony	-	-	-	-	150,000	(150,000)	-
Arts Council GLOP	-	-	-	-	13,484	(12,276)	1,208
Children in Need	-	15,000	(15,000)	-	15,000	(15,000)	-
Garfield Weston	-	-	-	-	10,000	(10,000)	-
Other restricted income <£5,000	-	25,278	(25,278)	-	23,481	(23,481)	-
	174,088	650,219	(679,864)	144,442	665,179	(693,616)	116,005

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

15 Restricted funds

(Continued)

NCC Asset Transfer Fund

The fund comprises of assets transferred from Nottingham City Council to the new charity in April 2014.

Music Hub Funding

The fund represents grants from Arts Council England to support the programme of activity, as detailed in the national plan for music education.

Arts Council England - In Harmony Transition

The In Harmony programme was co funded by Arts Council England and DfE until July 2022 & Arts Council England to August 2023 - funding restricted to salary & direct costs to deliver a programme aimed to inspire and transform the lives of children in communities with lower access to publicly funded culture - through ensemble music making. The funding was due to end in August 2023 and Arts Council England committed to funding a further 12 months in Harmony activity.

Arts Council England – Great Little Orchestra Project (GLOP)

This project, funded by Arts Council England, brings together young musicians in East Midlands Music Hub ensembles with pupils in special education schools. It breaks down barriers between disabled and non-disabled young people. It will run over twenty four months and include two 5-day residential experiences for dedicated young musicians, performances and workshops in Nottinghamshire specialist schools.

Children in Need

This funding is for the Robin Hood Youth Orchestra to enable children and young people from less affluent backgrounds to participate in music education. The intended outcome is for children and young people from different backgrounds to make music together in a diverse and inclusive environment.

Garfield Weston

Provides funds to support RHYO Interconnect, the training orchestra providing a bridge ensemble between beginner bands and the Robin Hood Youth Orchestra. It is designed for 9 to 14 year olds who can play around Grade 1+ standard and the programme provides high quality teaching from specialist staff, wide performance opportunities including digital recordings for release on social media, and a safe space for young people to meet and make music with pupils from across the city.

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

16 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2025 £
Designated - Development fund	5,339	-	-	-	5,339
Designated - Charity Base fund	300,000	-	-	(81,241)	218,759
Designated - Contingency fund	200,000	-	-	-	200,000
General funds	255,496	460,763	(391,570)	81,241	405,930
	<u>760,835</u>	<u>460,763</u>	<u>(391,570)</u>	<u>-</u>	<u>830,028</u>
Previous year:	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
		(as restated)	(as restated)		
Designated - Development fund	23,461	-	(18,122)	-	5,339
Designated - Charity Base fund	300,000	-	-	-	300,000
Designated - Contingency fund	200,000	-	-	-	200,000
General funds	208,258	444,086	(396,848)	-	255,496
	<u>731,719</u>	<u>444,086</u>	<u>(414,970)</u>	<u>-</u>	<u>760,835</u>

Designated funds:

Development fund

This is to build further on the Arts Council Catalyst Evolve programme to enable the organization to diversify our income sources. Specifically funding the post of Communications & Fundraising Coordinator.

Charity Base fund

During the financial year ended 31st March 2025 the Charity secured a long term home at Labes house, there was a schedule of refurbishment to carry out and at the balance at the end of the year represents the expenditure to complete that refurbishment in August 2025. As expenditure is incurred this is transferred to general funds.

Contingency fund

The fund is to cover and safeguard the future of the charity and/or to be able to settle any liabilities in the event of its closure.

General funds:

Arts Council England and DfE funding, restricted to 20% contribution for the non- direct delivery costs and restricted donations.

NOTTINGHAM MUSIC SERVICE

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

17 Analysis of net assets between funds	Unrestricted funds		Designated funds		Restricted funds		Total Unrestricted funds		Designated funds		Restricted funds		Total	
	2025	£	2025	£	2025	£	2025	£	2024	£	2024	£	2024	£
Fund balances at 31 March 2025														
are represented by:														
Tangible assets	207,815		-		114,797		135,774		-		144,441		280,215	
Current assets/(liabilities)	198,115		424,098		1,208		119,724		505,338		-		625,062	
	<u>405,930</u>		<u>424,098</u>		<u>116,005</u>		<u>255,498</u>		<u>505,338</u>		<u>144,441</u>		<u>905,277</u>	

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

18 Prior year adjustment

The prior year restricted funds movements have been restated to correctly show the expenditure allocated to restricted funds. The funds received in the previous financial year within Music Hub (General), Music Hub (Core + Extension) and Arts Council In Harmony were fully allocated to relevant expenditure in that year. These operations were then funded from unrestricted funds and so no transfers between funds were required. See notes 15 and 16. There has been no impact on the closing restricted funds balances, the deficit or net assets.

19 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2024 £
Within one year	68,000	20,743
Between two and five years	274,455	-
	<u>342,455</u>	<u>20,743</u>

20 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2025 £	2024 £
Acquisition of property, plant and equipment	<u>20,002</u>	<u>-</u>

21 Related party transactions

There were no disclosable related party transactions during the year (2024 - none).

22 Analysis of changes in net funds

The charity had no material debt during the year.

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

23 Cash generated from operations	2025 £	2024 £
Surplus/(deficit) for the year	40,756	(530)
Adjustments for:		
Depreciation and impairment of tangible fixed assets	46,328	48,244
Movements in working capital:		
Decrease/(increase) in debtors	10,175	(6,319)
(Decrease)/increase in creditors	(44,102)	22,839
(Decrease)/increase in deferred income	(38,738)	46,934
Cash generated from operations	<u>14,419</u>	<u>111,168</u>

NOTTINGHAM MUSIC SERVICE

England & Wales - Charity number 1153716

Accounts

Charity registration number 1153716

NOTTINGHAM MUSIC SERVICE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

NOTTINGHAM MUSIC SERVICE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr J G Gibbons
Mr D Wesker
Mr D Mellen
Mr N Cooke
Mrs R Jacobs
Mrs L Lesquereux (Appointed 30 July 2023)
Mr M Henry (Appointed 30 October 2023)
Mrs C Harrison (Appointed 30 October 2023)
Mrs C Atkinson (Appointed 8 January 2024)
U Joshi (Appointed 30 October 2023)
W Smith (Appointed 8 January 2024)

Senior Management Team

Ian Burton, CEO
Michael Aspinall, Business Operations and Strategy Manager

Charity number

1153716

Principal address

The Litehouse
Crocus Street
Nottingham
NG2 3DP

Auditor

Rogers Spencer
Newstead House
Pelham Road
Nottingham
NG5 1AP

Bankers

CAF bank Ltd
25 Kings Hill avenue
Kings Hill
West Malling
Kent
ME19 4JQ

NOTTINGHAM MUSIC SERVICE

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NOTTINGHAM MUSIC SERVICE

CHAIR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2024

As the Chair of the Board for Nottingham Music Hub, it is my privilege to present the trustees annual report for the financial year 2023-2024. This year has been a transformative period for us, marked by the announcement of the Music Hub Investment Programme, continuation of the In Harmony Programme and our continued organisational resilience in the face of economic and social challenges.

We are currently the lead organisation for Nottingham Music Hub, yet, due to the implementation of the Music Hub Investment Programme this will be the last annual report before the hub joins in a consortium with Inspire Music (Nottinghamshire Music Hub) in September 2024. This is a positive opportunity for Nottingham Music Service and hub as it provides us with the potential to widen our geographical reach and strengthen our partnership work.

Our vision remains the same - to inspire and enable young people to achieve their full potential through music by providing high-quality music education and opportunities and ensuring accessibility and inclusivity for all children and young people in Nottingham.

An innovative example of our approach to inclusion is the GBOP concert highlighted below.

In July 2023 we held The Great Big Orchestra Project (GBOP) which was a collaborative project with Northamptonshire Music and Performing Arts Trust, through our partnership with Music Education Hubs East Midlands (MEHEM) Uprising Project.

This provided SEND children and young people the opportunity to watch RHYO and play with them in an inspiring concert at the Albert Hall. Some learnt instrumental parts during their lessons with our SEND specialist, which they then performed with RHYO. Some formed a choir and sang and signed with the orchestra and singers from a City secondary school. Every piece was meaningfully interactive and inclusive.

To ensure the event was as inclusive as possible and to include students who wouldn't be able to attend on the day we took RHYO to them and held a smaller version of GBOP in Oak Field School, a school with a large number of students in wheelchairs and many who have Profound and Multiple Learning Difficulties (PMLD). Again, all pupils were invited to interact with RHYO and it was a truly joyous occasion. At both concerts we also featured sensory and sensory rooms so those who experience music in a more sensory way could participate in ways meaningful to them.

From the success of this concert we are now part of MEHEM's Uprising Project wide funding application which aims to provide mentoring opportunities for young people to work within SEND schools.

This year has not been without its challenges. The economic climate and budget constraints have required us to be more resourceful and strategic in our planning. The rising costs of instrument maintenance and operational expenses have had a significant impact. However, thanks to prudent financial management and proactive fundraising efforts, we have navigated these challenges effectively. Our financial strategy continues to focus on sustainability, ensuring that we can maintain and possibly expand our programs in the years to come.

I would like to extend my heartfelt gratitude to the students that we teach and access our ensembles, our dedicated staff team, volunteers, partners, and supporters. Their unwavering commitment and passion for music education have been instrumental in our successes this year.

2023-2024 has been a testament to our resilience and our openness to change as an organisation. Whilst we have adapted we have continued to deliver world leading music education and innovative events such as the GBOP concert. As we look forward to the next year, I am confident that Nottingham Music Service will continue to thrive and inspire the next generation of musicians. Together, we will ensure that music remains a vital and enriching part of our community.

Thank you for your continued support and dedication to Nottingham Music Hub.

Yours sincerely



James Gibbons

Chair of the Board

Date: .09/01/2025.....

NOTTINGHAM MUSIC SERVICE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "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)" (effective 1 January 2019).

Objectives and activities

The Charitable Objects of the Charity, as taken from the constitution are to advance the education, accessibility and enjoyment of music and the arts for children and young people.

We believe that music makes a difference. As a registered charity and lead partner for the Nottingham Music Education Hub, we are committed to making music more accessible and inclusive. We support young people from across the city to develop their musical skills, and participate in diverse ensembles and performances, contributing to the life of our great city.

Nottingham City has a very tight inner-city boundary and is one of the most deprived areas in the country where residents have some of the lowest household disposable income in the UK according to the Office for National Statistics.

NOTTINGHAM MUSIC SERVICE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Strategies for achieving aims and objectives

Prior to 2002, music making in the city was very limited, with only 15% of the schools providing an opportunity to learn to play an instrument. Nottingham Music Service (NMS) started its work on principles of access, inclusion, quality, progression and civic engagement. Our strategies are designed to include children of all backgrounds, including those who do not have support for music making.

We provide whole class instrumental teaching, and in 2023/24 72% of city primary schools received a First Access programme (which includes Whole Class Ensemble teaching incorporating In Harmony) run or supported by NMS. We also provide progression routes so that young people can continue their music making outside of school and advance as musicians. Our Area Bands are beginner ensembles provided after school, while our Saturday Music School (working in partnership with the Nottingham Contemporary and Nottingham College) provides a clear progression route into one of our orchestras (RHYO Interconnect and our flagship Robin Hood Youth Orchestra).

Key programmes include:

1. Whole Class Ensemble Teaching (WCET) programme — a year of ensemble teaching in whole classes on a range of instruments;
2. Music Camps — two day residentials for post-WCET pupils to kick start their learning into year 5 and beyond
3. Area Bands — a network of small Area Bands based in schools across the city, available for pupils to access immediately after their WCE year;
4. Nottingham Music School — operating on Saturday mornings providing ensemble opportunities through the Robin Hood Youth Orchestra (RHYO) family of ensembles
5. Singing Strategy — a programme of singing incorporated into our repertoire, events and teaching,
6. Continual Professional Development (CPD) and events
7. Exam strategy - Accredited by Music Teachers Board (MTB). Targeted online support sessions for large scale Grade 1 and Grade 2 entries across the city.
8. Events — an annual programme of events including Christmas in the City, Sing City, the Great Orchestra Experiment, Get Connected, MAB Week and an end of RHYO tour, large scale concert.

In Harmony - Nottingham Music Service delivers one of only six In Harmony programmes across England. Inspired by the principles of Venezuela's inspirational El Sistema, In Harmony is a national programme that aims to inspire and transform the lives of children in deprived communities, using the power and disciplines of community-based orchestral music-making. In January 2023 we learned that the In Harmony programme funding will be ending so in 2023/24 we have been working through a transition phase of incorporating the learning and ethos of In Harmony into our standard schools offer.

In January 2024 we were informed that an extra years' worth of In Harmony funding was available and that we would need to apply to the Arts Council outlining how we would continue In Harmony for one year. As we were already in our transition stage of phasing out our In Harmony offer to schools we felt it was more appropriate to enhance our provision with the principles of In Harmony. This included training staff, offering an internship to an ex member of RHYO and increasing our after school provision. We learnt that our bid had been successful in March 2024 so will be implementing our revised delivery model from September 2024.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

NOTTINGHAM MUSIC SERVICE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance

This has been a year of change for Nottingham Music Service. We have undergone an organisational restructure to best meet the needs of the changing priorities of Music Hubs as outlined in the revised National Plan for Music Education.

In December 2023 the DoE announced the Music Hub Investment Programme. The intention of this was to combine a number of Music Hubs across the country reducing the overall number from 121 down to over 60. From this we learnt that we would be merging with Nottinghamshire Music Hub to create one Music Hub that covers both the city and county. We submitted a joint application with Inspire (Nottingham Music Hub) with them being the Hub Lead Organisation (HLO) to operate as a consortium to cover the city and county. We were informed that we had been successful with our bid in March 2024. This has far reaching positive effects on the service as we will now be co-delivering services across the city and county from September 2024.

We continue to look for new premises to operate from. Our offices on Crocus Street provide us with a small office and storage space but all our ensembles and orchestras have to rehearse in venues across the city. To this end our thanks go to Nottingham Contemporary, Nottingham Playhouse, Nottingham College, Nottingham Cathedral and The circle of Light for supporting and accommodating our ensembles.

- In February 2024 we successfully revived our Sing City competition. This has proved to be one of our most successful events with nearly 30 entrants. The winners have had the opportunity to sing at events across the city.
- We have diversified our ensembles to include non-orchestral instruments focusing on guitars, drums, keyboard and voice. These have proved very popular.
- In July 2023 we held a RHYO tour. Using the National Forrest YHA as a base we were played a series of concerts. Working with Northamptonshire Music Hub the tour concluded with a concert at Nottingham Albert Hall. As part of this we ran an event call The Great Big Orchestra Project which invited SEND schools to take part and experience the concert.
- In April 2024 we received our Arts Council data return information which monitors our reach across the city Compared to other Music Hubs. The data was very positive highlighting:
 1. 1 in 5 young people in Nottingham City are learning a musical instrument – 50% higher than the national average.
 1. Nottingham has 3 times the national average of young people continuing to learn their musical instruments after their whole class ensemble year.
 2. Nottingham has the 5th highest percentage of pupils attending music hub ensembles in the country.
 3. 9954 young people are learning a musical instrument in Nottingham – a 1400% increase since 2002 (when the service was formed)
 4. More Nottingham city pupils are learning an instrument beyond Whole Class Ensemble than the 3 other east midlands' authorities combined (who have a school population 4 times that of Nottingham)

NOTTINGHAM MUSIC SERVICE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Financial review

This has been a particularly uncertain time with regards to funding for Nottingham Music Service. As highlighted above we learnt that In Harmony Programme would be ending which represented a significant drop in our funding. However, we have now been awarded a further year of In Harmony funding which will take us to September 2025. As the effects of inflation and rising fuel costs effected school budgets there was uncertainty about schools renewing their contracts with us, however although there was a 3.4% drop in schools income overall income rose by 0.38% from £1,090,140 to £1,094,305.

The revised National Plan for Music Education added more responsibility, detailing minimum requirements as to how Music Hubs can support schools with music education but offered no increase in funding to reflect the increased role. During the year the service carried out a complete staffing review in response to the proposed In Harmony funding cut and this resulted in a 5% reduction in expenditure, down from £1,147,644 in 2023 to £1,094,835 in 2024.

We did have a positive year with regards to fundraising, raising over £60,000 for the second year running, despite the economic uncertainty this well exceeding our budget. A private donor has generously donated £10,000 in both 22/23 & 23/24 years. Trusts & Foundations have also donated the following, £1,000 donations were received from The Forman Hardy Charitable Trust, JN Derbyshire Trust, Gordon Memorial Trust, Big Give Trust and Ultimate Flyby Orchestra. £2,000 from The Thomas Farr Charity, £2,340 from Ronnie Scott's Charitable Foundation, £4,000 from the Harrison-Frank Family Foundation and £4,500 from The Backstage Trust. We received £15,000 from BBC Children In Need as part of a 2 year grant in support of the Robin Hood Youth Orchestra.

In September 2023 we completed our organisational restructure. This planned restructure meant that we were better placed to meet the needs of the revised National Plan for Music and the new focus for Music Hubs (Supporting schools with their Music Plans and appointing Lead Schools).

The restructure affected the Management and Administrative team which resulted in two redundancy payments being made at the end of August 2023.

NOTTINGHAM MUSIC SERVICE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Going concern

Despite an uncertain year as regards In Harmony future funding we ended the year with a small deficit of £500 against a £57,505 deficit in 22/23. The trustees have agreed a 24/25 budget that predicts an operating deficit of £9,550. The trustees have a reasonable expectation that Nottingham Music Service has adequate resources to manage its ongoing risks and that cash reserves are sufficient to support its operations and liabilities for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Reserves policy

The trustees review the level of reserves at each quarterly management meeting and review policy and action required regarding reserve levels at year-end to build into the budget and project planning for the coming financial year.

The trustees have reviewed the nature of anticipated income and expenditure of the Charity, particularly with regards to the ongoing financial obligations of the existing programme of activity, administrative overheads and employment contracts of staff. The trustees consider that in order to safeguard the future of the charity or to be able to settle any liabilities in the event of its closure, reserves are ring-fenced to cover the following liabilities in the case of wind up:

9. Staff notice period pay (between 4 and 12 weeks) for NCC and Charity Employees;
10. Winding up of other on-going commitments (such as rent and venue hire);
11. Redundancy pay for Charity Employees;
12. Redundancy pay for NCC Employees;
13. Pension Strain and Underfunding for NCC Pension Fund.

The trustees have set aside a reserve of £200,000 to cover the areas listed above

The amount of free reserves at 31st March 2024 is £255,497

The amounts of restricted reserves at 31st March 2024 is £144,443 being the net book value of instruments supplied by Nottingham City Council in 2013, there are also designated reserves of £200,000 contingency fund detailed above, £300,000 building purchase fund and a remaining £,5337 development fund.

Principal funding sources

As the lead partner for the Nottingham Music Education Hub, our most significant funding stream is the Music Education Hub grant from the Department for Education (DfE) via Arts Council England which provides 42% of our annual income. Other significant funding comes from our In Harmony Grant (£150,000 in 2023/24), in addition to the DfE and Arts Council England other major sources of funding are schools buying in our teaching packages which in 2023/24 was £362,997 (2022/23 £378,430) and £6499 (2022/23 £4,334) from area band activities. There are a number of live performances, by the children throughout the year which have proved to be very popular, ticket sales for the year being £19,159 (2022/23 £14,263).

Major risks

The annual business plan draws attention to risks including financial, legal/governance, health and safety, quality and HR related. We are satisfied that appropriate financial systems and controls, and employment policies and practices are in place, but we continue to test and refine these processes during board meetings and in continual policy review.

As Trustees, we feel that the key risks facing the charity at this time are operational risks arising from the very stretched organisational capacity and the uncertainty of music hubs needing to merge, at some point, in the coming year. To address this we need to ensure that the organisation is best placed to meet these challenges through adapting and restructuring.

NOTTINGHAM MUSIC SERVICE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Plans for future periods

We face a number of key challenges over the next 12 months. The revised National Music Plan for Music Education has evolved how Music Services interact with schools and the role we play in supporting them in developing their own music plans.

We are aware that the DfE are moving towards merging a number of music hubs and we await the outcome of the consultation around this. However, our priorities remain the same which is to focus on the musical progression structure in the city and build on our existing delivery model to meet the ongoing challenge of transforming Nottingham City into a model for high quality inclusive music education, including:

- Tackling musical engagement at secondary level, which is not as strong as our engagement at primary level. While acknowledging this as a national issue with specific local problems (25% of city secondary schools have no music provision). We aim to become more respondent to the need of secondary schools by employing more hourly paid tutors who can deliver individual lessons to small groups or on a one to one basis. It is anticipated that this will form the basis of a new pathways where talented young people from disadvantaged backgrounds have the opportunity to continue pursuing music once they move from primary education.
- Developing new ensembles outside school to support young people at both primary and secondary levels
- Improving access to musical accreditation for city pupils through our work with the MTB exam Board.
- Enabling more young people to engage with the contemporary approach to musical training developed through the RHYO family (mix of genres, different learning styles from different cultures, student ownership, young leaders, involvement in a range of civic/community events, traditional and unique events);
- Building bridges between RHYO and more traditional ensembles and adult ensembles so that more city children can benefit from experiencing complementary approaches and experiences;
- To continually invigorate the existing WCET programme, strengthen the partnership with the music hub, develop staff skills in supporting children musically and enable children to access our unique musical progression framework which has been adapted to include recommendations of the new National Music Curriculum;
- Strengthening the links between music hub activities and the local music industry /community to provide suitable challenges and progression routes for young people with musical interests and skills in rock/pop areas by building on existing links.

We are keen to engage further with our partners to work together in tackling the genuine musical needs of city children, as we are aware that the current experience of many local arts organisations is primarily with more affluent young people from outside the city boundaries.

Structure, governance and management

The charity is operated under the rules of its constitution adopted 17 July 2013.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr J G Gibbons

Mr D Wesker

Mr D Mellen

Mr N Cooke

Mrs R Jacobs

Mrs L Lesquereux

(Appointed 30 July 2023)

Mr M Henry

(Appointed 30 October 2023)

Mrs C Harrison

(Appointed 30 October 2023)

Mrs C Atkinson

(Appointed 8 January 2024)

Mrs H Maddison

(Resigned 1 April 2023)

U Joshi

(Appointed 30 October 2023)

W Smith

(Appointed 8 January 2024)

NOTTINGHAM MUSIC SERVICE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Recruitment and appointment of trustees

There must be a minimum of three and maximum of 12 trustees with every trustee appointed for a term of three years. In selecting individuals, the trustees have regard to the skills, knowledge and experience needed for the effective governance of the CIO. Trustees visit charity events throughout the year and where appropriate, have attended training seminars and conferences on behalf of the organisation.

Organisational structure

Nottingham Music Service is a Charitable Incorporated Organisation. We, as the Board of Trustees, are responsible for the governance, strategic direction and policies of Nottingham Music Service. We currently have 6 members from a variety of different backgrounds, identified specifically for their individual experience and expertise. We usually meet quarterly, but have more frequent meetings when necessary, such as around the time of the establishment of the charity or the end of year.

We delegate day-to-day responsibility for the provision of Nottingham Music Service's activities to the Chief Executive Officer and the Business and Operations Manager who are responsible for ensuring that the charity delivers the services specified in the Business Plan and for operational management of the organisation.

Remuneration policy

The charity has two senior managers, who are: Chief Executive Officer and the Business, Operations and Strategy Manager. The Chief Executive Officer is one of the 2 members of staff still seconded from Nottingham City Council (NCC) and as such his pay is set by NCC. The pay of the Business Operations and Strategy Manager has been set by a panel of CEO and Trustee (either Vice Chair or HR link trustee) and is in line with the wider cultural and charity sectors.

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities 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 incoming resources and application of resources of the charity 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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 business.

The trustees are responsible for keeping proper accounting records that 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 Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. 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.

NOTTINGHAM MUSIC SERVICE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



.....
Mr J G Gibbons
Trustee

Date:09/01/2025.....

NOTTINGHAM MUSIC SERVICE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF NOTTINGHAM MUSIC SERVICE

Opinion

We have audited the financial statements of Nottingham Music Service (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 2024 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 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 contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

NOTTINGHAM MUSIC SERVICE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF NOTTINGHAM MUSIC SERVICE

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, 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 the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussions with trustees and other management, and from our knowledge and experience of the charity sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting relevant correspondence; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

NOTTINGHAM MUSIC SERVICE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF NOTTINGHAM MUSIC SERVICE

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- Understanding the design of the charity's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions,

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims; and
- Reviewing correspondence with relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

NOTTINGHAM MUSIC SERVICE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF NOTTINGHAM MUSIC SERVICE



Melvin Bailey FCCA DChA (Senior statutory auditor)
for and on behalf of Rogers Spencer

13/01/2025

Chartered Accountants
Statutory Auditor

Newstead House
Pelham Road
Nottingham
NG5 1AP

Rogers Spencer is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

NOTTINGHAM MUSIC SERVICE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income from:							
Donations and legacies	3	23,213	650,219	673,432	28,522	639,909	668,431
Charitable activities	4	420,873	-	420,873	421,708	-	421,708
Total income		<u>444,086</u>	<u>650,219</u>	<u>1,094,305</u>	<u>450,230</u>	<u>639,909</u>	<u>1,090,139</u>
Expenditure on:							
Raising funds	5	-	1,491	1,491	-	2,623	2,623
Charitable activities	6	18,122	1,075,222	1,093,344	33,492	1,111,529	1,145,021
Total expenditure		<u>18,122</u>	<u>1,076,713</u>	<u>1,094,835</u>	<u>33,492</u>	<u>1,114,152</u>	<u>1,147,644</u>
Net income/(expenditure)		425,964	(426,494)	(530)	416,738	(474,243)	(57,505)
Transfers between funds		(396,848)	396,848	-	(444,598)	444,598	-
Net movement in funds	7	29,116	(29,646)	(530)	(27,860)	(29,645)	(57,505)
Reconciliation of funds:							
Fund balances at 1 April 2023		731,719	174,088	905,807	759,579	203,733	963,312
Fund balances at 31 March 2024		<u>760,835</u>	<u>144,442</u>	<u>905,277</u>	<u>731,719</u>	<u>174,088</u>	<u>905,807</u>

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

NOTTINGHAM MUSIC SERVICE

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	11		280,215		321,781
Current assets					
Debtors	12	65,448		59,129	
Cash at bank and in hand		836,964		732,475	
		<u>902,412</u>		<u>791,604</u>	
Creditors: amounts falling due within one year	13	<u>(277,350)</u>		<u>(207,578)</u>	
Net current assets			<u>625,062</u>		<u>584,026</u>
Total assets less current liabilities			<u>905,277</u>		<u>905,807</u>
The funds of the charity					
Restricted income funds	15		144,442		174,088
Unrestricted funds	16		760,835		731,719
			<u>905,277</u>		<u>905,807</u>

The financial statements were approved by the trustees on .09/01/2025



.....
Mr J G Gibbons
Trustee

NOTTINGHAM MUSIC SERVICE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	21		111,168		(56,336)
Investing activities					
Purchase of tangible fixed assets		(6,679)		(700)	
Net cash used in investing activities			(6,679)		(700)
Net increase/(decrease) in cash and cash equivalents			104,489		(57,036)
Cash and cash equivalents at beginning of year			732,475		789,511
Cash and cash equivalents at end of year			<u>836,964</u>		<u>732,475</u>

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Nottingham Music Service is a Charitable Incorporated Organisation in the United Kingdom. The address of the principal office is The Litehouse, Crocus Street, Nottingham, NG2 3DP

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, unless otherwise stated in the relevant accounting policy notes. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Voluntary income – including donations, gifts, legacies and grants – that provides core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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.

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.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Musical instruments	6.67% straight line (15 years)
IT equipment	33.33% straight line (3 years)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

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

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

1.10 Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

1.11 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.

Designated funds are unrestricted funds and resources set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.12 Pensions and other post-retirement obligations

The Charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the Charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

A number of staff within the charity are seconded from Nottingham City Council. The council operates a defined benefit pension scheme. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

3 Donations and legacies

	Unrestricted funds		Restricted funds		Total		Unrestricted funds		Restricted funds		Total	
	2024	2024	2024	2024	2024	2024	2023	2023	2023	2023	2023	2023
	£	£	£	£	£	£	£	£	£	£	£	£
Grants	-	650,219	650,219	-	-	-	639,909	639,909	-	-	639,909	639,909
Gift aid	3,449	-	-	-	3,449	5,000	-	-	5,000	-	-	5,000
Donations	19,764	-	-	-	19,764	23,522	-	-	23,522	-	-	23,522
	<u>23,213</u>	<u>650,219</u>	<u>673,432</u>	<u>650,219</u>	<u>28,522</u>	<u>668,431</u>	<u>639,909</u>	<u>639,909</u>	<u>28,522</u>	<u>668,431</u>	<u>668,431</u>	<u>668,431</u>

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Music tuition - Primary	247,692	251,212
Music tuition - Secondary & Special	115,305	128,718
After school ensembles	13,862	10,796
Performances & events	31,760	23,418
Exams	3,741	1,551
Instrument hire	3,037	470
Speakers & score arrangement fees	2,360	200
Other income	3,116	5,343
	<u>420,873</u>	<u>421,708</u>

5 Expenditure on raising funds

	Restricted funds 2024 £	Restricted funds 2023 £
Fundraising and publicity		
Seeking donations, grants and legacies	<u>1,491</u>	<u>2,623</u>

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

6 Charitable activities

	2024	2023
	£	£
Staff costs	818,069	873,760
Depreciation and impairment	48,244	46,251
Accreditation	5,522	2,921
Bank charges	870	773
CPD and quality assurance	4,016	5,205
Equipment	3,217	4,559
Events	79,867	77,476
Instrument replacement and repairs	8,765	16,375
Insurance	9,772	9,814
IT upgrade	8,555	14,295
Legal & professional fees	19,831	18,526
Materials	2,816	2,982
Ongoing travel	126	3,529
Partnership costs	1,800	3,546
Postage & carriage	836	675
PPE	-	16
Repairs & renewals	840	417
Recruitment	2,150	2,790
Rent office & storage	37,908	23,115
Safeguarding	2,094	2,246
Telephone & office costs	5,935	6,110
Subscriptions & publications	3,378	3,187
Sundry costs	1,205	1,197
Venue hire (music school)	27,528	25,256
	<u>1,093,344</u>	<u>1,145,021</u>
	<u>1,093,344</u>	<u>1,145,021</u>
Analysis by fund		
Unrestricted funds	18,122	33,492
Restricted funds	1,075,222	1,111,529
	<u>1,093,344</u>	<u>1,145,021</u>

7 Net movement in funds

	2024	2023
	£	£
The net movement in funds is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	<u>48,244</u>	<u>46,251</u>

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
	32	40
	<u>32</u>	<u>40</u>
Employment costs	2024	2023
Wages and salaries	713,961	765,197
Social security costs	55,407	57,538
Other pension costs	46,754	48,730
	<u>816,123</u>	<u>871,465</u>

Redundancy and termination payments totalling £18,539 were made in the reporting period.

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

2024 £	2023 £
157,788	117,174
<u>157,788</u>	<u>117,174</u>

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

11 Tangible fixed assets

	Musical instruments	IT equipment	Total
	£	£	£
Cost			
At 1 April 2023	625,729	58,484	684,213
Additions	877	5,802	6,679
	<u>626,606</u>	<u>64,286</u>	<u>690,892</u>
Depreciation and impairment			
At 1 April 2023	308,718	53,715	362,433
Depreciation charged in the year	41,774	6,470	48,244
	<u>350,492</u>	<u>60,185</u>	<u>410,677</u>
Carrying amount			
At 31 March 2024	<u>276,114</u>	<u>4,101</u>	<u>280,215</u>
At 31 March 2023	<u>317,011</u>	<u>4,770</u>	<u>321,781</u>

12 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	29,689	28,172
Other debtors	3,010	2,185
Prepayments and accrued income	32,749	28,772
	<u>65,448</u>	<u>59,129</u>

13 Creditors: amounts falling due within one year

	Notes	2024	2023
		£	£
Other taxation and social security		11,669	12,713
Deferred income	14	164,696	117,762
Trade creditors		54,289	25,403
Other creditors		4,766	5,151
Accruals		41,930	46,549
		<u>277,350</u>	<u>207,578</u>

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

14 Deferred income

	2024 £	2023 £
Other deferred income	164,696	117,762

Deferred income is included in the financial statements as follows:

	2024 £	2023 £
Deferred income is included within:		
Current liabilities	164,696	117,762
Movements in the year:		
Deferred income at 1 April 2023	117,762	-
Released from previous periods	(117,762)	-
Resources deferred in the year	164,696	117,762
Deferred income at 31 March 2024	164,696	117,762

Deferred income represents income received during the current year for service agreements that run into future years.

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

15 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Balance at 1 April 2022 £	Movement in funds				Balance at 1 April 2023 £	Movement in funds				Balance at 31 March 2024 £
		Incoming resources	Resources expended	Transfers	Gains and losses		Incoming resources	Resources expended	Transfers		
NCC Asset Transfer	203,733	-	(29,645)	-	-	174,088	(29,646)	-	-	144,442	
Music Hub (General)	-	149,845	(149,845)	-	-	-	(159,506)	67,518	-	-	
Music Hub (Core + Extension)	-	142,193	(552,742)	410,549	-	-	(640,735)	232,504	-	-	
In Harmony	-	347,871	(381,920)	34,049	-	-	(246,826)	96,826	-	-	
	203,733	639,909	(1,114,152)	444,598	-	174,088	(1,076,713)	396,848	-	144,442	

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

16 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2023	Incoming resources	Resources expended	Transfers	At 31 March 2024
	£	£	£	£	£
Development fund	23,461	-	(18,122)	-	5,339
Charity Base fund	300,000	-	-	-	300,000
Contingency fund	200,000	-	-	-	200,000
General funds	208,258	444,086	-	(396,848)	255,496
	<u>731,719</u>	<u>444,086</u>	<u>(18,122)</u>	<u>(396,848)</u>	<u>760,835</u>

Previous year:	At 1 April 2022	Incoming resources	Resources expended	Transfers	At 31 March 2023
	£	£	£	£	£
Development fund	207	40,000	(16,746)	-	23,461
Charity Base fund	300,000	-	-	-	300,000
Contingency fund	200,000	-	-	-	200,000
General funds	259,372	410,230	(16,746)	(444,598)	208,258
	<u>759,579</u>	<u>450,230</u>	<u>33,492</u>	<u>(444,598)</u>	<u>731,719</u>

Development fund

This is to build further on the Arts Council Catalyst Evolve programme to enable the organization to diversify our income sources. Specifically funding the post of Communications & Fundraising Coordinator.

Charity Base fund - to accumulate funds for future premises.

Contingency Fund

The fund is to cover and safeguard the future of the charity and/or to be able to settle any liabilities in the event of its closure.

General - Arts Council England and DfE funding, restricted to 20% contribution for the non- direct delivery costs and restricted donations.

The transfer from the General fund to the Music Hub and Arts Council Funded fund & In Harmony and Transition funds is to cover the deficits on these activities.

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

17 Analysis of net assets between funds	Unrestricted funds		Designated funds		Restricted funds		Total Unrestricted funds		Designated funds		Restricted funds		Total	
	2024	£	2024	£	2024	£	2024	£	2023	£	2023	£	2023	£
Fund balances at 31 March 2024														
are represented by:														
Tangible assets	135,774		-		144,441		147,693		-		174,088		321,781	
Current assets/(liabilities)	119,724		505,338		-		60,565		523,461		-		584,026	
	<u>255,498</u>		<u>505,338</u>		<u>144,441</u>		<u>208,258</u>		<u>523,461</u>		<u>174,088</u>		<u>905,807</u>	

NOTTINGHAM MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

18 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year	20,743	23,171

19 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

20 Analysis of changes in net funds

The charity had no material debt during the year.

21 Cash generated from operations

	2024 £	2023 £
Deficit for the year	(530)	(57,505)
Adjustments for:		
Depreciation and impairment of tangible fixed assets	48,244	46,251
Movements in working capital:		
(Increase) in debtors	(6,319)	(33,347)
Increase/(decrease) in creditors	22,839	(29,511)
Increase in deferred income	46,934	17,776
Cash generated from/(absorbed by) operations	111,168	(56,336)

NOTTINGHAM MUSIC SERVICE

England & Wales - Charity number 1153716

Accounts

Charity registration number: 1153716

Nottingham Music Service

Annual Report and Financial Statements

for the Year Ended 31 March 2022

Nottingham Music Service

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Nottingham Music Service

Reference and Administrative Details

Trustees	James Gibbons David Wesker Amanda Dawson David Mellen Nigel Cooke Helen Maddison Rosemary Jacobs
Senior Management Team	Ian Burton, CEO Michael Aspinall, Business Operations and Strategy Manager
Charity Registration Number	1153716
Principal Office	The Litehouse Crocus Street Nottingham NG2 3DP
Independent Examiner	John O'Brien, employee of Community Accounting Plus Units 1 and 2 North West 41 Talbot Street Nottingham NG1 5GL
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

Nottingham Music Service

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2022.

Trustees:

David Wesker
Amanda Dawson
David Mellen
Nigel Cooke
James Gibbons
Helen Maddison (from 30/09/2021)
Rosemary Jacobs (from 30/09/2021)
Barbara Morgan (until 04/05/2021)
Tamba Roy (until 01/12/2021)

Objectives and activities

Objects and aims

The Charitable Objects of the Charity, as taken from the constitution are to advance the education, accessibility and enjoyment of music and the arts for children and young people.

We believe that music makes a difference. As a registered charity and lead partner for the Nottingham Music Education Hub, we are committed to making music more accessible and inclusive. We support young people from across the city to develop their musical skills, and participate in diverse ensembles and performances, contributing to the life of our great city.

Nottingham Music Service (NMS) operates in the local authority area of Nottingham City which has a population of 337,100 with a total school age population of 49,600 (ONS 2020). Nottingham is the 11th most deprived district in the country and has the lowest disposable household income in England (ONS 2018). Child poverty is a major issue in the city with 59% of children living in families where no adults work or where the household income is low enough to receive tax credits (compared to the national average of 37%) and 34% of children are classed as being affected by severe income deprivation (IMD 2019). The 2011 Census shows that Nottingham has a diverse population, of the largest population groups: 65% identify as White British, 5.5% Pakistani, 4% White and Black Caribbean, 3.25% Chinese and 3.2% African. Of the total population 34.7% identify as 'non-white British'.

Nottingham Music Service

Trustees' Report

Objectives, strategies and activities

Prior to 2002, music making in the city was very limited, with only 15% of the schools providing an opportunity to learn to play an instrument. Nottingham Music Service (NMS) started its work on principles of access, inclusion, quality, progression and civic engagement. Our strategies are designed to include children of all backgrounds, including those who do not have support for music making.

We provide whole class instrumental teaching and, in 2020/21, 74% of city primary schools received a First Access programme (which includes Whole Class Ensemble teaching and In Harmony) run or supported by Nottingham Music Service. We also provide progression routes so that young people can continue their music making outside of school and advance as musicians.

Our Area Bands are beginner ensembles which are provided in schools and online. We also deliver after-school ensembles which focus on a wide variety of instruments/singing and musical styles.

Our Saturday Music School provides a clear progression route into our orchestras (RHYO InterConnect and our flagship Robin Hood Youth Orchestra).

Key programmes include:

- Whole Class Ensemble Teaching (WCET) programme — a year of ensemble teaching in whole classes on a range of instruments;
- Small group teaching in secondary schools;
- Music Camps — two day residentials for post-WCET pupils to kick start their learning into year 5 and beyond;
- Area Bands — a network of 24 Area Bands across the city, available for pupils to access immediately after their WCE year both in their school and online streamed;
- Nottingham Music School — operating on Saturday mornings and Thursday evenings providing ensemble opportunities through the Robin Hood Youth Orchestra family of ensembles;
- Singing Strategy — a programme of targeted schools provision;
- Continual Professional Development (CPD) and events;
- Exam Strategy — bespoke syllabus developed by NMS staff and accredited by Music Teachers Board (MTB). Targeted online support sessions for large scale Grade 1 and Grade 2 entries across the city;
- Events — an annual programme of events including Christmas in the City, Noise from the Next Generation, Sing City, the Great Orchestra Experiment, the Summer Sing, Move on up (Targeting progression), targeted workshops and visiting ensembles programme.

In Harmony - Nottingham Music Service delivers one of only six In Harmony programmes across England. Inspired by the principles of Venezuela's inspirational El Sistema, In Harmony is a national programme that aims to inspire and transform the lives of children in deprived communities, using the power and disciplines of community-based orchestral music-making. Initially focussed on 4 primary schools across the city, In Harmony is now extended to bridge the gap between IH schools and the WCET programme.

Nottingham Music Service

Trustees' Report

Achievements and performance

As the year progressed we have been able to return to almost a full programme of public events including:

- Our Annual Music Camp for Year 5 pupils returned in September 2021 following the pandemic, with 5 one-day “camps” being held at the University of Nottingham Music Department and Highfields Park.
- In November 2021, the Making Tracks Tour visited Nottingham for the first time, with GCSE Music pupils from two City Secondary schools attending a workshop and concert at the University of Nottingham Music Department and Djanogly Recital Hall.
- Although our prestigious annual Sing City competition remained online in 2021, the number and standard of entries was still very high.
- Christmas in the City was a very successful in-person / online hybrid event in December 2021, with pupils being invited to the Nottingham Albert Hall to record socially distanced performances, and those performances then being edited together into a full concert video that was premiered on our YouTube channel.
- Our first events to welcome live audiences of friends and families to a performance following the pandemic were our MAB (March Area Band) Week performances for our Area Bands, held at Ellis Guilford School.
- The Great Orchestra Experiment of 2022 was a return to a proper in-person event, welcoming Year 4 pupils and our Robin Hood Youth Orchestra to perform an eclectic programme of music together in the Nottingham Albert Hall. Performances were recorded enabling us to stream to schools with live presenters and our staff in classrooms accompanying pupils. This hybrid model enabled us to reach more pupils than our previous live programme of concerts.
- We welcomed a-cappella singing group Apollo 5 to the Nottingham Albert Hall to host our fantastic Summer Sing event which was attended by Primary and Secondary choirs from across the City.
- New for 2022 was our very successful Get Connected event, held at the Nottingham Trent University Music Department. This invitation-only event for pupils moving from Year 6 to Year 7 was designed to encourage them to join a NMS ensemble and continue to learn their instrument when they move up to Secondary school.
- Another new event for 2022 focusing on supporting pupils moving from Year 6 to Year 7 was Move On Up! held at the Nottingham Albert Hall. Participating Year 6 classes completed a post-SATs instrumental unit of work in Music before heading to the Albert Hall for workshops with Music and Performing Arts Leads from the Secondary schools to which the pupils would be moving, and a massed performance of Twist & Shout.
- To celebrate the visit of the Robin Hood Youth Orchestra’s German partner orchestra, the Jugendorchester Stadt Karlsruhe, the two orchestras enjoyed a residential in the Peak District during the hottest week of 2022. On their return to Nottingham they participated in two events: Orchestral Connections at St Mary’s Church in the Lace Market alongside our Area Bands, and The Great Big Orchestra Project the following evening at Nottingham Albert Hall featuring our Connect Ensembles and Robin Hood Young Voices.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Nottingham Music Service

Trustees' Report

Chairs Report 2021/22

This has been a year of returning back to a more normal delivery for Nottingham Music Service. After the upheaval of the pandemic and lockdowns pupils and staff are finally enjoying making music together in large groups. Parents and carers are once again experiencing the joy of seeing children play in live concerts and events.

It has been a slow return though, our 2021 Christmas in the City Concert was once again streamed online and we started the school year in September 2021 with a socially distanced Music Camp at Nottingham University, rather than Ilam Hall. Gradually though we were able to start putting on public events beginning with our March 2022 series of Area Band concerts at Ellis Guilford School and culminating with our German partner orchestra, the Jugendorchester Stadt Karlsruhe visiting us for a week of residencies and concerts in July 2022. As we welcome the return to normality we also ensure that skills learnt during our lockdown teaching are utilised to make the service even more accessible to students. An example of this is our Great Orchestra Experiment which had previously been a one-day event. This year we filmed the concert and then streamed it into schools across the city, with live presenters, for the following three days. This meant that the concert now has a far wider reach and impact across Nottingham city schools.

We have also started to diversify our teaching packages and for the first time are delivering small group teaching and one to one lessons in secondary schools. This is an exciting move forward for the service and we hope to continue to expand this area of teaching and income over the coming years.

As with all organisations we are facing change and uncertainty. The music service still does not have a permanent base from which to operate but this also has positive aspects as it now means we work in partnership with a number of organisations across the city that welcome our pupils and ensembles every week. (Nottingham Contemporary, Nottingham College, Nottingham Playhouse, Fisher Gate Point, Nottingham Cathedral Hall). We also received the sad news that In Harmony funding will be ending in September 2023. This will have an impact on the level of music teaching across Nottingham City primary schools. However, the service is committed to developing teaching models that will maintain the high standards set by In Harmony and remain cost effective to schools.

The publication of the revised National Music Plan sets out clear ways and expectations of how Music Hubs and schools will work together. We anticipate that this will be an area of increased opportunities for the service that ensure we strengthen our links with local schools.

Whilst I have highlighted the challenges that the service faces we are positive that these changes will only strengthen the service and enhance its teaching packages. Through adapting our provision we have seen a large increase in the number of schools that have requested music teaching from Nottingham Music Service. Over the past 12 months we have employed ten hourly paid staff members and four trainee teachers to meet this demand. Our continued success and positivity when addressing future challenges would not be possible without the dedication of our staff team and Board members and I would like to take this opportunity to thank them all for everything they have done over the past 12 months. I would also like to thank Barbara Morgan and Tamba Roy who stood down from the Board this year. Their expertise and calm, kind and analytical approach to being Board members provided invaluable insight and direction. We wish them well for the future.

Nottingham Music Service

Trustees' Report

Nottingham Music Service continues to evolve and achieve; I am proud of the commitment shown by all staff, children, families, and schools to support musical learning across Nottingham City. It is only through all their efforts that we have been able to achieve all our successes this year.

A handwritten signature in black ink, appearing to be 'James Gibbons', written over a horizontal line.

James Gibbons

Chair of Trustees

Nottingham Music Service

September 2022

Nottingham Music Service

Trustees' Report

Financial review

Since the end of the pandemic lockdowns, we have seen an increase in the take up of our services specifically for hourly paid staff delivering one-to-one and small group tuition in secondary schools. This is a provision that the organisation is planning to expand in 2022/23. We have also had a request from an academy chain to look at directly charging parents for one-to-one and small group provision: this would provide a new income stream and one we are planning to implement in 2022/23.

Due to the pressure on school budgets pre and post lockdown, we have only been able to make incremental increases in our charge for WCET/IH that do not match inflation and this has contributed to an overall deficit. With the introduction of the refreshed Music Plan in June 2022 we anticipate increased opportunities to develop new services that address music teaching and curriculum needs in schools.

We recognise that 2022/23 will be a period of change for the organisation with In Harmony Funding ending in September 2023. We are actively researching various teaching models/packages that will ensure that our income continues to meet the level required for the continuous running of the service.

Policy on reserves

The trustees review the level of reserves at each quarterly management meeting and review policy and action required regarding reserve levels at year-end to build into the budget and project planning for the coming financial year. Due to the current Covid lockdown and the implications on teaching in schools it is vital that we utilise the reserves to ensure the long term future of the organisation. This is something that the Board discuss at each meeting and review the use of reserves on an ongoing basis.

The trustees have reviewed the nature of anticipated income and expenditure of the Charity, particularly with regards to the ongoing financial obligations of the existing programme of activity, administrative overheads and employment contracts of staff. The trustees consider that in order to safeguard the future of the charity or to be able to settle any liabilities in the event of its closure, reserves are ring-fenced to cover the following liabilities in the case of wind up:

1. Staff notice period pay (between 4 and 12 weeks) for NCC and Charity Employees;
2. Winding up of other on-going commitments (such as rent and venue hire);
3. Redundancy pay for Charity Employees;
4. Redundancy pay for NCC Employees;
5. Pension Strain and Underfunding for NCC Pension Fund.

The trustees have set aside a reserve of £200,000 to cover the areas listed above. In addition, the trustees have identified an additional fund of £40,000 to support organisational development (As of 31st March 2022 £207 remains of the Development Fund), with a focus on income generation and a ring fenced fund of £300,000 for the purchase of a charity base and instrument storage.

The balance of the General Fund at 31st March 2022 is £259,372.

Principal funding sources

As the lead partner for the Nottingham Music Education Hub, our most significant funding stream is the Music Education Hub grant from the Department for Education (DfE) via Arts Council England which provides nearly 45% of our annual income. Other significant funding comes from our In Harmony Grant, in addition to the DfE and Arts Council England; schools buying in our services, performance income and music school contributions.

Nottingham Music Service

Trustees' Report

Structure, governance and management

Nature of governing document

The charity is operated under the rules of its constitution adopted 17 July 2013.

Recruitment and appointment of trustees

There must be a minimum of three and maximum of 12 trustees with every trustee appointed for a term of three years. In selecting individuals, the trustees have regard to the skills, knowledge, diversity and experience needed for the effective governance of the CIO. Trustees visit charity activities and events throughout the year and where appropriate, have attended training seminars and conferences on behalf of the organisation.

Arrangements for setting key management personnel remuneration

The charity has two senior managers, who are: Chief Executive Officer and the Business, Operations and Strategy Manager. The Chief Executive Officer is one of the 3 members of staff still seconded from Nottingham City Council (NCC) and as such his pay is set by NCC. The pay of the Business Operations and Strategy Manager has been set by a panel of CEO and Trustee (either Vice Chair or HR link trustee) and is in line with the wider cultural and charity sectors.

Organisational structure

Nottingham Music Service is a Charitable Incorporated Organisation. We, as the Board of Trustees, are responsible for the governance, strategic direction and policies of Nottingham Music Service. We currently have 7 members from a variety of different backgrounds, identified specifically for their individual experience and expertise. We usually meet quarterly, but have more frequent meetings when necessary, such as around the time of the establishment of the charity or the end of year.

We delegate day-to-day responsibility for the provision of Nottingham Music Service's activities to the Chief Executive Officer and Senior Team who are responsible for ensuring that the charity delivers the services specified in the Business Plan and for operational management of the organisation.

Major risks and management of those risks

Risks identified

The annual business plan draws attention to risks including financial, legal/governance, health and safety, quality and HR related. We are satisfied that appropriate financial systems and controls, and employment policies and practices are in place, but we continue to test and refine these processes during board meetings, through the policy buddy system and in a recent full policy review.

As Trustees, we feel that the key risks facing the charity at this time are operational risks arising from the very stretched organisational capacity and the uncertainty of our business model in the face of increased costs that outstrip income, changes to the National Music Plan and the ending of In Harmony funding in September 2023. To address this, we need to ensure that quality issues arising from the challenges in recruiting appropriately skilled staff, and financial arising from the short-term nature of our current key funding agreements and the current national education funding environment is continually assessed and planned for.

Nottingham Music Service

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities 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 incoming resources and application of resources of the charity 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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 business.

The trustees are responsible for keeping proper accounting records that 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 Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. 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.

Approved by the trustees of the charity on 04/10/2022 and signed on its behalf by:



.....
James Gibbons
Trustee

Nottingham Music Service

Independent Examiner's Report to the trustees of Nottingham Music Service

Independent examiner's report to the trustees of Nottingham Music Service

I report to the trustees on my examination of the accounts of Nottingham Music Service (the Charity) for the year ended 31 March 2022.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member and Fellow of the Association of Charity Independent Examiners, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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



.....
John O'Brien MSc, FCCA, FCIE, employee of Community Accounting Plus
Fellow of the Association of Charity Independent Examiners

Units 1 and 2 North West
41 Talbot Street
Nottingham
NG1 5GL

Date: 20/12/2022

Nottingham Music Service

Statement of Financial Activities for the Year Ended 31 March 2022

	Note	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
Income and Endowments from:					
Donations and legacies	2	14,360	-	14,360	7,305
Charitable activities	3	349,026	633,606	982,632	991,541
Total Income		<u>363,386</u>	<u>633,606</u>	<u>996,992</u>	<u>998,846</u>
Expenditure on:					
Charitable activities	5	(16,313)	(995,726)	(1,012,039)	(884,033)
Total Expenditure		<u>(16,313)</u>	<u>(995,726)</u>	<u>(1,012,039)</u>	<u>(884,033)</u>
Net income/(expenditure)		347,073	(362,120)	(15,047)	114,813
Gross transfers between funds		(332,358)	332,358	-	-
Net movement in funds		14,715	(29,762)	(15,047)	114,813
Reconciliation of funds					
Total funds brought forward		<u>744,864</u>	<u>233,495</u>	<u>978,359</u>	<u>863,546</u>
Total funds carried forward	14	<u><u>759,579</u></u>	<u><u>203,733</u></u>	<u><u>963,312</u></u>	<u><u>978,359</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for the period is shown in note 14.

Nottingham Music Service

Statement of Financial Activities for the Year Ended 31 March 2022

These are the figures for the previous accounting period and are included for comparative purposes

	Note	Unrestricted £	Restricted £	Total 2021 £
Income and Endowments from:				
Donations and legacies	2	7,305	-	7,305
Charitable activities	3	<u>273,664</u>	<u>717,877</u>	<u>991,541</u>
Total Income		<u>280,969</u>	<u>717,877</u>	<u>998,846</u>
Expenditure on:				
Charitable activities	5	<u>(136,393)</u>	<u>(747,640)</u>	<u>(884,033)</u>
Total Expenditure		<u>(136,393)</u>	<u>(747,640)</u>	<u>(884,033)</u>
Net movement in funds		144,576	(29,763)	114,813
Reconciliation of funds				
Total funds brought forward		<u>600,288</u>	<u>263,258</u>	<u>863,546</u>
Total funds carried forward	14	<u><u>744,864</u></u>	<u><u>233,495</u></u>	<u><u>978,359</u></u>

The notes on pages 15 to 24 form an integral part of these financial statements.

Nottingham Music Service
(Registration number: 1153716)
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	367,332	381,448
Current assets			
Debtors	11	25,782	19,344
Cash at bank and in hand	12	<u>789,511</u>	<u>805,169</u>
		815,293	824,513
Creditors: Amounts falling due within one year	13	<u>(219,313)</u>	<u>(227,602)</u>
Net current assets		<u>595,980</u>	<u>596,911</u>
Net assets		<u><u>963,312</u></u>	<u><u>978,359</u></u>
Funds of the charity:			
Restricted income funds			
Restricted funds	14	203,733	233,495
Unrestricted income funds			
Unrestricted funds		<u>759,579</u>	<u>744,864</u>
Total funds	14	<u><u>963,312</u></u>	<u><u>978,359</u></u>

The financial statements on pages 11 to 24 were approved by the trustees, and authorised for issue on ~~..04/10/2022..~~ and signed on their behalf by:



.....
David Wesker
Trustee

Nottingham Music Service

Cash Flow Statement for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (expenditure)/income		(15,047)	114,813
Adjustments to cash flows from non-cash items			
Depreciation		<u>50,152</u>	<u>37,759</u>
		35,105	152,572
Working capital adjustments			
Increase in debtors	11	(6,438)	(2,395)
(Decrease)/increase in creditors	13	(17,480)	73,253
Increase in deferred income		<u>9,191</u>	<u>24,498</u>
Net cash flows from operating activities		20,378	247,928
Cash flows from investing activities			
Purchase of tangible fixed assets	10	<u>(36,036)</u>	<u>(127,232)</u>
Net (decrease)/increase in cash and cash equivalents		(15,658)	120,696
Cash and cash equivalents at 1 April		<u>805,169</u>	<u>684,473</u>
Cash and cash equivalents at 31 March		<u><u>789,511</u></u>	<u><u>805,169</u></u>
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash		(15,658)	120,696
Net funds at 1 April 2021		<u>805,169</u>	<u>684,473</u>
Net funds at 31 March 2022		<u><u>789,511</u></u>	<u><u>805,169</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Nottingham Music Service

Notes to the Financial Statements for the Year Ended 31 March 2022

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Nottingham Music Service 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.

Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

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 aggregates 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.

Nottingham Music Service

Notes to the Financial Statements for the Year Ended 31 March 2022

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.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent 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
IT equipment	33.3% straight line
Musical instruments	6.67% straight line

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or 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 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.

Nottingham Music Service

Notes to the Financial Statements for the Year Ended 31 March 2022

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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.

Designated funds are unrestricted funds and resources set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The Charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the Charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

A number of staff within the charity are seconded from Nottingham City Council. The council operates a defined benefit pension scheme. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

2 Income from donations and legacies

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Donations and legacies;			
Donations from companies, trusts and similar proceeds	14,360	14,360	7,305
	<u>14,360</u>	<u>14,360</u>	<u>7,305</u>

Nottingham Music Service

Notes to the Financial Statements for the Year Ended 31 March 2022

3 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
Fees	349,026	-	349,026	273,664
Grants & donations	-	633,606	633,606	717,877
	<u>349,026</u>	<u>633,606</u>	<u>982,632</u>	<u>991,541</u>

4 Grants and donations

	Unrestricted funds £	Restricted funds £	Total funds £
Arts Council England	-	615,786	615,786
Nottingham City Council	-	5,400	5,400
Capital One (Europe)	-	5,000	5,000
D'Oyly Carte	-	3,000	3,000
Nottingham Schools Trust	-	1,650	1,650
Skipton Building Society	-	1,270	1,270
Foreman Hardy Charitable Trust	-	1,000	1,000
AW Lymn Foundation	-	500	500
Gift Aid	9,860	-	9,860
Sundry donations	4,500	-	4,500
	<u>14,360</u>	<u>633,606</u>	<u>647,966</u>

Nottingham Music Service

Notes to the Financial Statements for the Year Ended 31 March 2022

5 Expenditure on charitable activities

	Unrestricted funds Designated £	Restricted funds £	Total 2022 £	Total 2021 £
Accreditation	-	503	503	-
Bank charges	-	564	564	795
CPD and quality assurance	-	8,029	8,029	5,420
Depreciation	-	50,152	50,152	37,759
Equipment	-	5,878	5,878	-
Events - concert expenses	-	2,239	2,239	1,390
Events - music camp	-	1,500	1,500	-
Events - venue hire	-	9,035	9,035	718
Fundraising	-	4,084	4,084	3,388
Instrument repairs and consumables	-	6,931	6,931	9,408
Insurance	-	9,094	9,094	10,548
IT upgrade	-	9,486	9,486	5,576
Legal & professional fees	-	6,610	6,610	6,310
Materials	-	9,605	9,605	3,736
Ongoing travel	-	2,955	2,955	895
Partnership costs	-	4,466	4,466	5,254
Postage & carriage	-	637	637	-
PPE	-	2,480	2,480	2,230
Repairs & renewals	-	358	358	-
Recruitment	-	797	797	84
Rent	-	30,079	30,079	15,927
Safeguarding	-	2,511	2,511	561
Staffing costs & freelance	-	2,952	2,952	2,443
Stationery & telephone	-	2,764	2,764	2,773
Subscriptions & publications	-	1,906	1,906	1,495
Sundry costs	-	1,999	1,999	332
Venue hire (music school)	-	14,970	14,970	848
Wages, NI & pension	16,313	803,142	819,455	766,143
	<u>16,313</u>	<u>995,726</u>	<u>1,012,039</u>	<u>884,033</u>

6 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2022 £	2021 £
Depreciation of fixed assets	<u>50,152</u>	<u>37,759</u>

Nottingham Music Service

Notes to the Financial Statements for the Year Ended 31 March 2022

7 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	738,079	686,770
Social security costs	48,598	45,602
Pension costs	32,778	33,771
	<u>819,455</u>	<u>766,143</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2022 No	2021 No
Average weekly number of employees	<u>37</u>	<u>33</u>

24 (2021 - 25) of the above employees participated in the Defined Contribution Pension Schemes.

3 (2021 - 3) of the above employees participated in the Defined Benefit Pension Schemes.

Contributions to the employee pension schemes for the year totalled £32,778 (2021 - £33,770).

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

The total employee benefits of the key management personnel of the charity were £108,640 (2021 - £109,001).

8 Independent examiner's fees

During the period, the fees payable (excluding VAT) to the charity's independent examiner Community Accounting Plus are analysed as follows:

	2022 £	2021 £
Independent examination	1,545	1,545
Other financial services	406	156
	<u>1,951</u>	<u>1,701</u>

Nottingham Music Service

Notes to the Financial Statements for the Year Ended 31 March 2022

9 Taxation

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

10 Tangible fixed assets

	Computer equipment £	Musical instruments £	Total £
Cost			
At 1 April 2021	44,877	604,365	649,242
Additions	12,907	23,129	36,036
Disposals	-	(1,764)	(1,764)
At 31 March 2022	57,784	625,730	683,514
Depreciation			
At 1 April 2021	40,860	226,934	267,794
Charge for the year	8,319	41,833	50,152
Eliminated on disposals	-	(1,764)	(1,764)
At 31 March 2022	49,179	267,003	316,182
Net book value			
At 31 March 2022	8,605	358,727	367,332
At 31 March 2021	4,017	377,431	381,448

11 Debtors

	2022 £	2021 £
Trade debtors	15,375	6,119
Accrued income	10,025	13,225
Other debtors	382	-
	25,782	19,344

12 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	294	294
Cash at bank	789,217	804,875
	789,511	805,169

Nottingham Music Service

Notes to the Financial Statements for the Year Ended 31 March 2022

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	98,372	100,280
Other taxation and social security	11,787	10,666
Pension scheme creditor	4,814	4,944
Accruals	4,354	20,917
Deferred income	99,986	90,795
	219,313	227,602

14 Funds

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
Unrestricted funds					
<i>General</i>					
General fund	228,344	363,386	-	(332,358)	259,372
<i>Designated</i>					
Development fund	16,520	-	(16,313)	-	207
Charity Base fund	300,000	-	-	-	300,000
Contingency fund	200,000	-	-	-	200,000
	516,520	-	(16,313)	-	500,207
Total unrestricted funds	744,864	363,386	(16,313)	(332,358)	759,579
Restricted funds					
NCC Asset Transfer	233,495	-	(29,762)	-	203,733
Music Hub and In Harmony (General)	-	230,605	(230,605)	-	-
Music Hub and In Harmony (Core Roles)	-	294,598	(626,956)	332,358	-
Music Hub and In Harmony (Extension)	-	108,403	(108,403)	-	-
	233,495	633,606	(995,726)	332,358	203,733
Total restricted funds	233,495	633,606	(995,726)	332,358	203,733
Total funds	978,359	996,992	(1,012,039)	-	963,312

Nottingham Music Service

Notes to the Financial Statements for the Year Ended 31 March 2022

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
Unrestricted funds					
<i>General</i>					
General fund	61,351	280,969	(136,393)	22,417	228,344
<i>Designated</i>					
Development fund	38,937	-	-	(22,417)	16,520
Charity Base fund	300,000	-	-	-	300,000
Contingency fund	200,000	-	-	-	200,000
	<u>538,937</u>	<u>-</u>	<u>-</u>	<u>(22,417)</u>	<u>516,520</u>
Total unrestricted funds	<u>600,288</u>	<u>280,969</u>	<u>(136,393)</u>	<u>-</u>	<u>744,864</u>
Restricted					
NCC Asset Transfer	263,258	-	(29,763)	-	233,495
Music Hub and In Harmony (General)	-	203,977	(203,977)	-	-
Music Hub and In Harmony (Core Roles)	-	386,535	(386,535)	-	-
Music Hub and In Harmony (Extension)	-	127,365	(127,365)	-	-
	<u>263,258</u>	<u>717,877</u>	<u>(747,640)</u>	<u>-</u>	<u>233,495</u>
Total restricted funds	<u>263,258</u>	<u>717,877</u>	<u>(747,640)</u>	<u>-</u>	<u>233,495</u>
Total funds	<u>863,546</u>	<u>998,846</u>	<u>(884,033)</u>	<u>-</u>	<u>978,359</u>

The specific purposes for which the funds are to be applied are as follows:

Contingency Fund - To cover and safeguard the future of the charity and/or to be able to settle any liabilities in the event of its closure.

Organisational Development - For organisational development (Specifically development of a Trading Arm).

Charity Base fund - to accumulate funds for future premises.

NCC Asset Transfer - Relates to the instrument stock transferred from the Council to the charity when it was originally set up.

Music Hub and In Harmony (General) - Arts Council and DfE funding restricted to subsidise the cost of teaching packages the charity offers schools (45% subsidy).

Music Hub and In Harmony (Core Roles) - Arts Council and DfE funding restricted to the salary of direct delivery costs.

Music Hub and In Harmony (Extension Roles) - Arts Council and DfE funding restricted to non direct delivery costs.

The transfer from the General fund to the Music Hub and In Harmony (Core Roles) fund is to cover the deficit on this activity.

Nottingham Music Service

Notes to the Financial Statements for the Year Ended 31 March 2022

15 Analysis of net assets between funds

	Unrestricted			2022
	General £	Designated £	Restricted £	Total funds £
Tangible fixed assets	163,599	-	203,733	367,332
Current assets	315,086	500,207	-	815,293
Current liabilities	<u>(219,313)</u>	<u>-</u>	<u>-</u>	<u>(219,313)</u>
Total net assets	<u>259,372</u>	<u>500,207</u>	<u>203,733</u>	<u>963,312</u>

	Unrestricted			2021
	General £	Designated £	Restricted £	Total funds £
Tangible fixed assets	147,953	-	233,495	381,448
Current assets	307,993	516,520	-	824,513
Current liabilities	<u>(227,602)</u>	<u>-</u>	<u>-</u>	<u>(227,602)</u>
Total net assets	<u>228,344</u>	<u>516,520</u>	<u>233,495</u>	<u>978,359</u>

16 Benefits in kind

Nottingham City Council agreed to provide office accommodation and storage space at College Street Centre to the value of £7,500 for this financial year.

17 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

NOTTINGHAM MUSIC SERVICE

England & Wales - Charity number 1153716

Accounts

Charity registration number: 1153716

Nottingham Music Service

Annual Report and Financial Statements

for the Year Ended 31 March 2021

Community Accounting Plus
Units 1 and 2 North West
41 Talbot Street
Nottingham
NG1 5GL

Nottingham Music Service

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Nottingham Music Service

Reference and Administrative Details

Trustees	James Gibbons David Wesker Amanda Dawson Tamba Roy David Mellen Nigel Cooke
Senior Management Team	Ian Burton, CEO Michael Aspinall, Business Operations and Strategy Manager
Principal Office	The Litehouse Crocus Street Nottingham NG2 3DP
Charity Registration Number	1153716
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Independent Examiner	John O'Brien, employee of Community Accounting Plus Units 1 and 2 North West 41 Talbot Street Nottingham NG1 5GL

Nottingham Music Service

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2021.

Trustees

James Gibbons

David Wesker

Amanda Dawson

Tamba Roy

David Mellen

Nigel Cooke

Barbara Morgan (resigned 4 May 2021)

Objectives and activities

Objects and aims

The Charitable Objects of the Charity, as taken from the constitution are to advance the education, accessibility and enjoyment of music and the arts for children and young people.

We believe that music makes a difference. As a registered charity and lead partner for the Nottingham Music Education Hub, we are committed to making music more accessible and inclusive. We support young people from across the city to develop their musical skills, and participate in diverse ensembles and performances, contributing to the life of our great city.

Nottingham City has a very tight inner-city boundary and is one of the most deprived areas in the country where residents have the lowest household disposable income in the UK according to the Office for National Statistics and 38% of children live in income deprived households.

Nottingham Music Service

Trustees' Report

Objectives, strategies and activities

Prior to 2002, music making in the city was very limited, with only 15% of the schools providing an opportunity to learn to play an instrument. Nottingham Music Service (NMS) started its work on principles of access, inclusion, quality, progression and civic engagement. Our strategies are designed to include children of all backgrounds, including those who do not have support for music making.

We provide whole class instrumental teaching, and in 2020/21 74% of city primary schools received a First Access programme (which includes Whole Class Ensemble teaching and In Harmony) run or supported by NMS. We also provide progression routes so that young people can continue their music making outside of school and advance as musicians. Our Area Bands are beginner ensembles provided after school, while our Saturday Music School provides a clear progression route into one of our orchestras (RHYO InterConnect and our flagship Robin Hood Youth Orchestra).

Whilst the face-to-face delivery of our programmes has been severely affected in 2020/21 by the global pandemic, we are proud that we have been able to maintain the majority of our provision online. Once we return to face to face teaching we will be delivering a revised programme that support us to meet our charity objectives.

Key programmes include:

- Whole Class Ensemble Teaching (WCET) programme — a year of ensemble teaching in whole classes on a range of instruments;
- Music Camps — two day residentials for post-WCET pupils to kick start their learning into year 5 and beyond (This was held online during 2020 and as a smaller, one day face to face event in 2021 but we hope to return to our established model in 2022);
- Area Bands — a network of 7 Area Bands across the city, available for pupils to access immediately after their WCE year and online streamed;
- Nottingham Music School — operating on Saturday mornings and Thursday evenings providing ensemble opportunities through the Robin Hood Youth Orchestra family of ensembles;
- Singing Strategy — a programme of targeted schools provision;
- Continual Professional Development (CPD) and events;
- Exam Strategy — bespoke syllabus developed by NMS staff and accredited by Music Teachers Board (MTB). Targeted online support sessions for large scale Grade 1 and Grade 2 entries across the city;
- Events — an annual programme of events including Christmas in the City, Light Night, Noise from the Next Generation, Sing City, the Great Orchestra Experiment, the Summer Sing, targeted workshops and visiting ensembles programme. (We delivered the majority of these events online this year but hope to return to live events in 2022).

In Harmony - Nottingham Music Service delivers one of only six In Harmony programmes across England. Inspired by the principles of Venezuela's inspirational El Sistema, In Harmony is a national programme that aims to inspire and transform the lives of children in deprived communities, using the power and disciplines of community-based orchestral music-making. Initially focussed on 4 primary schools across the city, In Harmony is now extended to bridge the gap between IH schools and the WCET programme.

Nottingham Music Service

Trustees' Report

Achievements and performance

Whilst the global pandemic has meant that our usual achievements measured by Grade exams and numbers of children being taught hasn't happened this year we have had other major achievements. As a board we continue to be hugely impressed by the skill, commitment, and energy from such a small team to deliver the breadth and quality of events and activity.

As an organisation we have been on a steep learning curve with how best to support our pupils during lockdown. Some of our proudest achievements are:

- Since March 2020 we have produced over 250 video lessons for pupils to access and continue to learn their instrument at home;
- Run a nine-hour online NMS music festival and produced lockdown performances that have been commented on by members of the public globally;
- We have received over 50,000 views of our videos and 6000 new users have accessed our website, all under lockdown conditions;
- One of the proudest achievements for the organisation is the continuing of our RHYO rehearsal every Saturday morning, be it in a virtual capacity. Members of RHYO have been open about how much this has meant to them and that in some cases it has provided the structure and support that they vitally needed during the isolation of lockdown;
- During the third lockdown we delivered online lessons in the morning and afternoon each day with an average weekly attendance of to over 650 pupils taking part from 32 primary schools and home;
- We edited together a streamed version of our Christmas in the City concert with over 2000 taking part. The concert had over 4000 people viewing its YouTube premier.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Nottingham Music Service

Trustees' Report

Chairs Report 2020/21

The Music Service is now returning to schools, and we are teaching to full classrooms again with minimal barriers in place. When I recall the situation we were in last year, in the midst of lockdown, it is so positive to be able to write these words. It has been heartening to see the enthusiasm that schools and pupils have welcomed us back with. We now are to hope that lockdown was a pause in our lives and learning, rather than the full stop that was feared.

However, we must be mindful of the toll that lockdown has had on us all. We are now feeling the long-term impact that the isolation of lockdown has had on us all, especially children, including their mental health, motivation and learning. It is imperative that the Music Service responds to these issues and offers a positive, inclusive service that addresses the needs and concerns of children. To this end we have created the role of a Pastoral Support Coordinator who is responsible for promoting the well-being of our pupils and of seeking their views through feedback. This will enable us to respond to any concerns or barriers that children may have either personally or when returning to playing as part of a large group.

Although there has been sadness and isolation during lockdown, I firmly believe that children will have built up skills and resilience that will make them far stronger than before. I am hoping they will be part of a generation that have got through the mundanity of lockdown and then exploded back out into the world with a pent-up creative energy and zest for life that has been put on hold for nearly two years. Their friendships will be so much stronger for having shared the collective isolation and uncertainty of the past 18 months. I believe that they will be part of a generation that takes their experience and focuses them into the arts; aided by all the strength and resourcefulness they are learning at the moment, to create beautiful experiences for all of us to enjoy. If the children of the second world war can write music that we still listen to 80 years later and walk on the moon, I am excited to experience all that will be achieved by the children we teach today.

As with all organisations we have had to adapt and change during the covid pandemic. As a service and staff team we have learnt new skills that make us far more adaptable than before. When we moved our teaching online, we were able to deliver lessons in the morning and afternoon each day with an average weekly attendance of over 650 pupils taking part from 32 primary schools and home. Taking the skills we have learnt from delivering these lessons we are currently exploring how we can utilise technology to break down barriers to accessing lessons even further (Including: geographical, financial, transport) and are including a digital streaming element to all of our smaller ensembles allowing access from wherever a student is located within the city.

One of the key parts of the music service is our wide range of events that we deliver over the year. These add a focal point to our teaching and provide a unique opportunity for children to play in public spaces or on stages and for parents to see the result of all the hard work and practice. We have keenly felt the effect of not being able to deliver live events over the past 18 months. I am proud of how we have evolved our concerts to become online events. The Christmas in the City concert had over 2000 children taking part, including the videos created by schools. The combined viewing figure is now 5348 people viewing its YouTube premier. This highlights how new technology can break down barriers as we are always over subscribed for audience tickets, so it enabled all parents to watch their children perform.

An inspiring example of how we are embracing this new way of working for the positive is when we recently worked in partnership with Nottingham University and Nottingham Castle. On a beautiful summer evening RHYO played a one-hour concert (Their first in over 18 months) from the newly refurbished castle grounds. Nottingham University filmed the event in broadcast quality and also live streamed it over YouTube. During the live event we had over 1000 people watching and since then the footage has been viewed a further 500 times. This is far more than we could have ever accommodated as a live audience and means that the members of RHYO have a permanent reminder of them playing in a unique setting.

Nottingham Music Service

Trustees' Report

During the past year it became apparent that we would not be returning to our traditional methods of teaching that included pupils sharing brass and woodwind instruments. We were aware that we would need to increase our stock of instruments to enable every pupil learning one of these instruments to have their own. To enable us to purchase more instruments we applied to the Arts Council's Cultural Recovery Fund that was set up to help arts organisations adapt to the added pressures that lockdown brought. We were very pleased to have been awarded £120,000 which helped us to purchase over 1100 instruments to be used in schools. This has meant that we can continue to teach brass and woodwind instruments in schools and that pupils now have their own instruments to practise with.

We are in the position where we are now delivering our services in more schools across the city than ever before, including secondaries. This is a testament to our staff team's dedication with delivering such a high-quality service during lockdowns. However, we anticipate that there may be difficult decisions over the next couple of years, due to funding restrictions, but we are forecasting and trialling new and more efficient ways of working and delivering our ensembles, to address this.

All of the achievements I have highlighted and our successes over the past year would not have been possible without the dedication of our staff team and Board members and I would like to take this opportunity to thank them all for everything they have done over the past 12 months. I would also like to thank Barbara Morgan who stood down from the Board this year. Her input and HR expertise has been invaluable to the charity, and we wish her well for the future.

This organisation continues to inspire and achieve during a unique global situation, and I am proud of the extraordinary efforts and resolve shown by all staff, children, families, and schools in the face of these unprecedented times. It is only through all their efforts that we have been able to achieve all our successes this year.



James Gibbons

Chair of Trustees

Nottingham Music Service

September 2021

Nottingham Music Service

Trustees' Report

Financial review

The past year has been a particularly difficult year in regards to financial planning. We had concerns that schools would withhold payments during lockdown due to us not being able to deliver the service in schools and their budgets being stretched. This concern was alleviated by the DfE stipulating that all schools should continue to pay all external contractors, as their budgets were not being reduced. As we were able to continue our provision online and receive an income we did not have to furlough any staff during 2020/21.

In August 2020 we submitted a bid to the Arts Council's Cultural Recovery Fund. We were grateful to be awarded £120,000 to be used towards the purchase of new brass and woodwind instruments. The need for the purchase of these instruments was highlighted by schools indicating that our previous delivery model of children sharing instruments would no longer be sustainable. If we were unable to provide individual instruments there was a genuine concern that schools would not buy our teaching packages in unless we could offer each child their own instrument. The grant enabled us to do this and meant that no school cancelled their contract with us.

Policy on reserves

The trustees review the level of reserves at each quarterly management meeting and review policy and action required regarding reserve levels at year-end to build into the budget and project planning for the coming financial year. Due to the current Covid lockdown and the implications on teaching in schools it is vital that we utilise the reserves to ensure the long term future of the organisation. This is something that the Board discuss at each meeting and review the use of reserves on an ongoing basis.

The trustees have reviewed the nature of anticipated income and expenditure of the Charity, particularly with regards to the ongoing financial obligations of the existing programme of activity, administrative overheads and employment contracts of staff. The trustees consider that in order to safeguard the future of the charity or to be able to settle any liabilities in the event of its closure, reserves are ring-fenced to cover the following liabilities in the case of wind up:

1. Staff notice period pay (between 4 and 12 weeks) for NCC and Charity Employees;
2. Winding up of other on-going commitments (such as rent and venue hire);
3. Redundancy pay for Charity Employees;
4. Redundancy pay for NCC Employees;
5. Pension Strain and Underfunding for NCC Pension Fund.

The trustees have set aside a reserve of £200,000 to cover the areas listed above. In addition, the trustees have identified an additional fund of £40,000 to support organisational development (As of 31st March 2021 £16,520 remains of the Development Fund), with a focus on income generation and a ring fenced fund of £300,000 for the purchase of a charity base and instrument storage.

The balance of the General fund at 31st March 2021 is £228,344

The amounts of restricted and designated reserves at 31st March 2021 is £750,015 comprising of £233,495 in fixed assets, the £16,520 remaining development fund, the £200,000 contingency fund and £300,000 building purchase, as detailed above.

Principal funding sources

As the lead partner for the Nottingham Music Education Hub, our most significant funding stream is the Music Education Hub grant from the Department for Education (DfE) via Arts Council England which provides nearly 45% of our annual income. Other significant funding comes from our In Harmony Grant (£149,999 in 2020-21), in addition to the DfE and Arts Council England; schools buying in our services, performance income and music school contributions (£202,123 in 2020-21); and Nottingham City Council (£7,500 in 2020-21).

Nottingham City Council have withdrawn their financial support in kind (£22,000 P/A). This also meant that we had to move our office accommodation (Previously a Nottingham City Council run building) and seek alternative, affordable accommodation.

Nottingham Music Service

Trustees' Report

Structure, governance and management

Nature of governing document

The charity is operated under the rules of its constitution adopted 17 July 2013.

Recruitment and appointment of trustees

There must be a minimum of three and maximum of 12 trustees with every trustee appointed for a term of three years. In selecting individuals, the trustees have regard to the skills, knowledge and experience needed for the effective governance of the CIO. Trustees visit charity activities and events throughout the year and where appropriate, have attended training seminars and conferences on behalf of the organisation.

Arrangements for setting key management personnel remuneration

The charity has two senior managers, who are: Chief Executive Officer and the Business, Operations and Strategy Manager. The Chief Executive Officer is one of the 3 members of staff still seconded from Nottingham City Council (NCC) and as such his pay is set by NCC. The pay of the Business Operations and Strategy Manager has been set by a panel of CEO and Trustee (either Vice Chair or HR link trustee) and is in line with the wider cultural and charity sectors.

Organisational structure

Nottingham Music Service is a Charitable Incorporated Organisation. We, as the Board of Trustees, are responsible for the governance, strategic direction and policies of Nottingham Music Service. We currently have 6 members from a variety of different backgrounds, identified specifically for their individual experience and expertise. We usually meet quarterly, but have more frequent meetings when necessary, such as around the time of the establishment of the charity or the end of year.

We delegate day-to-day responsibility for the provision of Nottingham Music Service's activities to the Chief Executive Officer and Senior Team who are responsible for ensuring that the charity delivers the services specified in the Business Plan and for operational management of the organisation.

Major risks and management of those risks

Risks identified

The annual business plan draws attention to risks including financial, legal/governance, health and safety, quality and HR related. We are satisfied that appropriate financial systems and controls, and employment policies and practices are in place, but we continue to test and refine these processes during board meetings, through the policy buddy system and in a recent full policy review.

As Trustees, we feel that the key risks facing the charity at this time are operational risks arising from the very stretched organisational capacity and the uncertainty of our business model in the face of the global pandemic. To address this, we need to ensure that quality issues arising from the challenges in recruiting appropriately skilled staff, and financial arising from the short-term nature of our current key funding agreements and the current national education funding environment is continually assessed and planned for.

Nottingham Music Service

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities 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 incoming resources and application of resources of the charity 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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 business.

The trustees are responsible for keeping proper accounting records that 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 Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. 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.

Approved by the trustees of the charity on ~~07/01/2022~~ and signed on its behalf by:



.....
James Gibbons
Trustee

Nottingham Music Service

Independent Examiner's Report to the trustees of Nottingham Music Service

Independent examiner's report to the trustees of Nottingham Music Service

I report to the trustees on my examination of the accounts of Nottingham Music Service (the Charity) for the year ended 31 March 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable directions given by the Charity Commission under section 145(5)(b) of the Act.

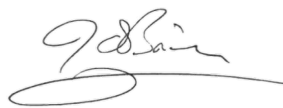
Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member and Fellow of the Association of Charity Independent Examiners, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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



.....
John O'Brien MSc, FCCA, FCIE, employee of Community Accounting Plus
Fellow of the Association of Charity Independent Examiners

Units 1 and 2 North West
41 Talbot Street
Nottingham
NG1 5GL

Date: 07/01/2022

Nottingham Music Service

Statement of Financial Activities for the Year Ended 31 March 2021

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income and Endowments from:					
Donations and legacies	2	7,305	-	7,305	19,634
Charitable activities	3	273,664	717,877	991,541	965,864
Other trading activities	5	-	-	-	1,316
Total Income		<u>280,969</u>	<u>717,877</u>	<u>998,846</u>	<u>986,814</u>
Expenditure on:					
Raising funds	6	-	-	-	(3,443)
Charitable activities	7	<u>(136,393)</u>	<u>(747,640)</u>	<u>(884,033)</u>	<u>(963,544)</u>
Total Expenditure		<u>(136,393)</u>	<u>(747,640)</u>	<u>(884,033)</u>	<u>(966,987)</u>
Net movement in funds		144,576	(29,763)	114,813	19,827
Reconciliation of funds					
Total funds brought forward		<u>600,288</u>	<u>263,258</u>	<u>863,546</u>	<u>843,719</u>
Total funds carried forward	15	<u><u>744,864</u></u>	<u><u>233,495</u></u>	<u><u>978,359</u></u>	<u><u>863,546</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for the period is shown in note 15.

Nottingham Music Service

Statement of Financial Activities for the Year Ended 31 March 2021

These are the figures for the previous accounting period and are included for comparative purposes

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Donations and legacies	2	19,634	-	19,634
Charitable activities	3	286,572	679,292	965,864
Other trading activities	5	1,316	-	1,316
Total Income		<u>307,522</u>	<u>679,292</u>	<u>986,814</u>
Expenditure on:				
Raising funds	6	-	(3,443)	(3,443)
Charitable activities	7	(221,370)	(742,174)	(963,544)
Total Expenditure		<u>(221,370)</u>	<u>(745,617)</u>	<u>(966,987)</u>
Net income/(expenditure)		86,152	(66,325)	19,827
Gross transfers between funds		<u>8,868</u>	<u>(8,868)</u>	-
Net movement in funds		95,020	(75,193)	19,827
Reconciliation of funds				
Total funds brought forward		<u>541,239</u>	<u>302,480</u>	<u>843,719</u>
Total funds carried forward	15	<u><u>636,259</u></u>	<u><u>227,287</u></u>	<u><u>863,546</u></u>

Nottingham Music Service
(Registration number: 1153716)
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	381,448	291,975
Current assets			
Debtors	13	19,344	16,949
Cash at bank and in hand		<u>805,169</u>	<u>684,473</u>
		824,513	701,422
Creditors: Amounts falling due within one year	14	<u>(227,602)</u>	<u>(129,851)</u>
Net current assets		<u>596,911</u>	<u>571,571</u>
Net assets		<u><u>978,359</u></u>	<u><u>863,546</u></u>
Funds of the charity:			
Restricted funds		233,495	263,258
Unrestricted income funds			
Unrestricted funds		<u>744,864</u>	<u>600,288</u>
Total funds	15	<u><u>978,359</u></u>	<u><u>863,546</u></u>

The financial statements on pages 11 to 25 were approved by the trustees, and authorised for issue on ~~..07/01/2022..~~ and signed on their behalf by:



.....
David Wesker
Trustee

Nottingham Music Service

Cash Flow Statement for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash income		114,813	19,827
Adjustments to cash flows from non-cash items			
Depreciation	6	<u>37,759</u>	<u>35,971</u>
		152,572	55,798
Working capital adjustments			
(Increase)/decrease in debtors	13	(2,395)	62,291
Increase/(decrease) in creditors	14	73,253	(52,491)
Increase in deferred income		<u>24,498</u>	<u>406</u>
Net cash flows from operating activities		<u>247,928</u>	<u>66,004</u>
Cash flows from investing activities			
Purchase of tangible fixed assets	12	(127,232)	(5,046)
Sale of tangible fixed assets		<u>-</u>	<u>8,868</u>
Net cash flows from investing activities		<u>(127,232)</u>	<u>3,822</u>
Net increase in cash and cash equivalents		120,696	69,826
Cash and cash equivalents at 1 April		<u>684,473</u>	<u>614,647</u>
Cash and cash equivalents at 31 March		<u><u>805,169</u></u>	<u><u>684,473</u></u>
Reconciliation of net cash flow to movement in net funds			
Increase in cash		120,696	69,826
Net funds at 1 April 2020		<u>684,473</u>	<u>614,647</u>
Net funds at 31 March 2021		<u><u>805,169</u></u>	<u><u>684,473</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Nottingham Music Service

Notes to the Financial Statements for the Year Ended 31 March 2021

1 Accounting policies

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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Nottingham Music Service 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.

Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

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 aggregates 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.

Nottingham Music Service

Notes to the Financial Statements for the Year Ended 31 March 2021

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

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.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent 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
IT equipment	33.3% straight line
Musical instruments	6.67% straight line

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or 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 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.

Nottingham Music Service

Notes to the Financial Statements for the Year Ended 31 March 2021

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.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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.

Designated funds are unrestricted funds and resources set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The Charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the Charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

A number of staff within the charity are seconded from Nottingham City Council. The council operates a defined benefit pension scheme. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Nottingham Music Service

Notes to the Financial Statements for the Year Ended 31 March 2021

2 Income from donations and legacies

	Unrestricted funds	Total	Total
	General	2021	2020
	£	£	£
Donations and legacies;			
Donations from companies, trusts and similar proceeds	7,305	7,305	19,634
	7,305	7,305	19,634
	7,305	7,305	19,634

3 Income from charitable activities

	Unrestricted funds	Restricted funds	Total	Total
	General	funds	2021	2020
	£	£	£	£
Fees	273,664	-	273,664	286,572
Grants & donations	-	717,877	717,877	679,292
	273,664	717,877	991,541	965,864
	273,664	717,877	991,541	965,864

4 Grants and donations

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Arts Council England	-	712,877	712,877
BBC Children in Need	-	5,000	5,000
Gift Aid	6,812	-	6,812
Nottingham Trent University	225	-	225
Sundry donations	268	-	268
	7,305	717,877	725,182
	7,305	717,877	725,182

5 Income from other trading activities

	Total	Total
	2021	2020
	£	£
Trading income;		
Sales of goods and services	-	1,316
	-	1,316
	-	1,316

Nottingham Music Service

Notes to the Financial Statements for the Year Ended 31 March 2021

6 Expenditure on raising funds

a) Costs of trading activities

	Note	Total 2021 £	Total 2020 £
Fundraising trading costs;			
Fundraising		-	3,443
		<u>-</u>	<u>3,443</u>

Nottingham Music Service

Notes to the Financial Statements for the Year Ended 31 March 2021

7 Expenditure on charitable activities

	Unrestricted General funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Accreditation	-	-	-	9,717
Bank charges	-	795	795	945
CPD and quality assurance	-	5,420	5,420	7,497
Depreciation	-	37,759	37,759	35,971
Events - concert expenses	-	1,390	1,390	8,905
Events - music camp	-	-	-	25,494
Events - residential	-	-	-	11,217
Events - venue hire	-	718	718	19,716
Fundraising	-	3,388	3,388	-
Instrument repairs and consumables	-	9,408	9,408	11,937
Insurance	-	10,548	10,548	9,363
IT upgrade	-	5,576	5,576	2,244
Legal & professional fees	-	6,310	6,310	8,070
Materials	-	3,736	3,736	2,304
Ongoing travel	-	895	895	32,941
Partnership costs	-	5,254	5,254	16,448
Postage & carriage	-	-	-	167
PPE	-	2,230	2,230	-
Recruitment	-	84	84	1,596
Rent	-	15,927	15,927	22,720
Safeguarding	-	561	561	2,049
Staffing costs & freelance	-	2,443	2,443	11,255
Stationery & telephone	-	2,773	2,773	3,456
Subscriptions & publications	-	1,495	1,495	1,483
Sundry costs	-	332	332	1,684
Venue hire (music school)	-	848	848	7,699
Wages, NI & pension	136,393	629,750	766,143	708,666
	<u>136,393</u>	<u>747,640</u>	<u>884,033</u>	<u>963,544</u>

8 Net incoming/outgoing resources

Net incoming resources for the year include:

	2021 £	2020 £
Depreciation of fixed assets	<u>37,759</u>	<u>35,971</u>

Nottingham Music Service

Notes to the Financial Statements for the Year Ended 31 March 2021

9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

10 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	686,770	640,817
Social security costs	45,602	38,856
Pension costs	<u>33,771</u>	<u>28,993</u>
	<u>766,143</u>	<u>708,666</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2021 No	2020 No
Average weekly number of employees	<u>33</u>	<u>27</u>

25 (2020 - 22) of the above employees participated in the Defined Contribution Pension Schemes.

3 (2020 - 5) of the above employees participated in the Defined Benefit Pension Schemes.

Contributions to the employee pension schemes for the year totalled £33,770 (2020 - £28,993).

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

The total employee benefits of the key management personnel of the charity were £109,001 (2020 - £104,370).

Nottingham Music Service

Notes to the Financial Statements for the Year Ended 31 March 2021

11 Taxation

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

12 Tangible fixed assets

	Computer equipment £	Musical instruments £	Total £
Cost			
At 1 April 2020	40,583	481,427	522,010
Additions	4,294	122,938	127,232
At 31 March 2021	44,877	604,365	649,242
Depreciation			
At 1 April 2020	36,095	193,940	230,035
Charge for the year	4,765	32,994	37,759
At 31 March 2021	40,860	226,934	267,794
Net book value			
At 31 March 2021	4,017	377,431	381,448
At 31 March 2020	4,488	287,487	291,975

13 Debtors

	2021 £	2020 £
Trade debtors	6,119	15,086
Accrued income	13,225	1,863
	19,344	16,949

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	100,280	27,830
Other taxation and social security	10,666	10,777
Pension scheme creditor	4,944	5,093
Accruals	20,917	19,854
Deferred income	90,795	66,297
	227,602	129,851

Nottingham Music Service

Notes to the Financial Statements for the Year Ended 31 March 2021

15 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
Unrestricted funds					
<i>General</i>					
General fund	61,351	280,969	(136,393)	22,417	228,344
<i>Designated</i>					
Development fund	38,937	-	-	(22,417)	16,520
Charity Base fund	300,000	-	-	-	300,000
Contingency fund	200,000	-	-	-	200,000
	<u>538,937</u>	<u>-</u>	<u>-</u>	<u>(22,417)</u>	<u>516,520</u>
Total unrestricted funds	<u>600,288</u>	<u>280,969</u>	<u>(136,393)</u>	<u>-</u>	<u>744,864</u>
Restricted funds					
NCC Asset Transfer	263,258	-	(29,763)	-	233,495
Music Hub and In Harmony (General)	-	203,977	(203,977)	-	-
Music Hub and In Harmony (Core Roles)	-	386,535	(386,535)	-	-
Music Hub and In Harmony (Extension)	-	127,365	(127,365)	-	-
	<u>263,258</u>	<u>717,877</u>	<u>(747,640)</u>	<u>-</u>	<u>233,495</u>
Total restricted funds	<u>263,258</u>	<u>717,877</u>	<u>(747,640)</u>	<u>-</u>	<u>233,495</u>
Total funds	<u><u>863,546</u></u>	<u><u>998,846</u></u>	<u><u>(884,033)</u></u>	<u><u>-</u></u>	<u><u>978,359</u></u>

Nottingham Music Service

Notes to the Financial Statements for the Year Ended 31 March 2021

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2020 £
Unrestricted funds					
<i>Unrestricted general funds</i>					
General fund	301,239	307,522	(257,341)	(290,069)	61,351
<i>Unrestricted designated funds</i>					
Development fund	40,000	-	-	(1,063)	38,937
Charity Base fund	-	-	-	300,000	300,000
Contingency fund	200,000	-	-	-	200,000
	<u>240,000</u>	<u>-</u>	<u>-</u>	<u>298,937</u>	<u>538,937</u>
Total unrestricted funds	<u>541,239</u>	<u>307,522</u>	<u>(257,341)</u>	<u>8,868</u>	<u>600,288</u>
Restricted funds					
NCC Asset Transfer	302,480	-	(30,354)	(8,868)	263,258
Music Hub and In Harmony (General)	-	110,948	(110,948)	-	-
Music Hub and In Harmony (Core Roles)	-	438,362	(438,362)	-	-
Music Hub and In Harmony (Extension)	-	129,982	(129,982)	-	-
	<u>302,480</u>	<u>679,292</u>	<u>(709,646)</u>	<u>(8,868)</u>	<u>263,258</u>
Total restricted funds	<u>302,480</u>	<u>679,292</u>	<u>(709,646)</u>	<u>(8,868)</u>	<u>263,258</u>
Total funds	<u>843,719</u>	<u>986,814</u>	<u>(966,987)</u>	<u>-</u>	<u>863,546</u>

The specific purposes for which the funds are to be applied are as follows:

Contingency Fund - To cover and safeguard the future of the charity and/or to be able to settle any liabilities in the event of its closure.

Organisational Development - For organisational development (Specifically development of a Trading Arm).

Charity Base fund - to accumulate funds for future premises.

NCC Asset Transfer - Relates to the instrument stock transferred from the Council to the charity when it was originally set up.

Music Hub and In Harmony (General) - Arts Council and DfE funding restricted to subsidise the cost of teaching packages the charity offers schools (45% subsidy).

Music Hub and In Harmony (Core Roles) - Arts Council and DfE funding restricted to the salary of direct delivery costs.

Music Hub and In Harmony (Extension Roles) - Arts Council and DfE funding restricted to non direct delivery costs.

The transfer from the Development fund to the General fund relates to costs incurred on development

Nottingham Music Service

Notes to the Financial Statements for the Year Ended 31 March 2021

16 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds
	General £	Designated £		
Tangible fixed assets	147,953	-	233,495	381,448
Current assets	307,993	516,520	-	824,513
Current liabilities	<u>(227,602)</u>	<u>-</u>	<u>-</u>	<u>(227,602)</u>
Total net assets	<u>228,344</u>	<u>516,520</u>	<u>233,495</u>	<u>978,359</u>

	Unrestricted funds			Total funds at 31 March 2020
	General £	Designated £	Restricted funds £	
Tangible fixed assets	28,717	-	263,258	291,975
Current assets	162,485	538,937	-	701,422
Current liabilities	<u>(129,851)</u>	<u>-</u>	<u>-</u>	<u>(129,851)</u>
Total net assets	<u>61,351</u>	<u>538,937</u>	<u>263,258</u>	<u>863,546</u>

17 Independent examiner's fees

During the period, the fees payable (excluding VAT) to the charity's independent examiner Community Accounting Plus are analysed as follows:

	2021 £	2020 £
Independent examination	1,545	1,545
Other financial services	156	482
	<u>1,701</u>	<u>2,027</u>

18 Related party transactions

There were no related party transactions in the year.

19 Benefits in kind

Nottingham City Council agreed to provide office accommodation and storage space at College Street Centre to the value of £7,500 for this financial year.