

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

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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	

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# NOTTINGHAM MUSIC SERVICE

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# NOTTINGHAM MUSIC SERVICE

## CHAIR'S REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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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.....

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# **NOTTINGHAM MUSIC SERVICE**

## **TRUSTEES' REPORT**

***FOR THE YEAR ENDED 31 MARCH 2024***

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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

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#### *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

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#### 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 5<sup>th</sup> 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*

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#### **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 place 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

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#### *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

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#### 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

Mr M Henry

Mrs C Harrison

Mrs C Atkinson

Mrs H Maddison

U Joshi

W Smith

(Appointed 30 July 2023)

(Appointed 30 October 2023)

(Appointed 30 October 2023)

(Appointed 8 January 2024)

(Resigned 1 April 2023)

(Appointed 30 October 2023)

(Appointed 8 January 2024)

# NOTTINGHAM MUSIC SERVICE

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

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#### *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**

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### **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

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#### 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

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#### **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

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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 £
<b>Income from:</b>							
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
<b>Total income</b>		<b>444,086</b>	<b>650,219</b>	<b>1,094,305</b>	<b>450,230</b>	<b>639,909</b>	<b>1,090,139</b>
<b>Expenditure on:</b>							
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
<b>Total expenditure</b>		<b>18,122</b>	<b>1,076,713</b>	<b>1,094,835</b>	<b>33,492</b>	<b>1,114,152</b>	<b>1,147,644</b>
<b>Net income/(expenditure)</b>		<b>425,964</b>	<b>(426,494)</b>	<b>(530)</b>	<b>416,738</b>	<b>(474,243)</b>	<b>(57,505)</b>
Transfers between funds		(396,848)	396,848	-	(444,598)	444,598	-
<b>Net movement in funds</b>	7	<b>29,116</b>	<b>(29,646)</b>	<b>(530)</b>	<b>(27,860)</b>	<b>(29,645)</b>	<b>(57,505)</b>
<b>Reconciliation of funds:</b>							
Fund balances at 1 April 2023		731,719	174,088	905,807	759,579	203,733	963,312
<b>Fund balances at 31 March 2024</b>		<b>760,835</b>	<b>144,442</b>	<b>905,277</b>	<b>731,719</b>	<b>174,088</b>	<b>905,807</b>

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 £	£
<b>Fixed assets</b>					
Tangible assets	11		280,215		321,781
<b>Current assets</b>					
Debtors	12	65,448		59,129	
Cash at bank and in hand		836,964		732,475	
		<u>902,412</u>		<u>791,604</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(277,350)</u>		<u>(207,578)</u>	
<b>Net current assets</b>			625,062		584,026
<b>Total assets less current liabilities</b>			<u>905,277</u>		<u>905,807</u>
<b>The funds of the charity</b>					
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 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	21		111,168		(56,336)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(6,679)		(700)	
<b>Net cash used in investing activities</b>			(6,679)		(700)
<b>Net increase/(decrease) in cash and cash equivalents</b>			104,489		(57,036)
Cash and cash equivalents at beginning of year			732,475		789,511
<b>Cash and cash equivalents at end of year</b>			836,964		732,475

# NOTTINGHAM MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 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

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#### 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 2024**

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### **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	2023	2023	2023
	£	£	£	£	£	£
Grants	-	650,219	650,219	-	639,909	639,909
Gift aid	3,449	-	3,449	5,000	-	5,000
Donations	19,764	-	19,764	23,522	-	23,522
	<u>23,213</u>	<u>650,219</u>	<u>673,432</u>	<u>28,522</u>	<u>639,909</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	1,491	2,623
	<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>
<b>Analysis by fund</b>		
Unrestricted funds	18,122	33,492
Restricted funds	<u>1,075,222</u>	<u>1,111,529</u>
	<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
<b>Employment costs</b>	<b>2024</b>	<b>2023</b>
Wages and salaries	713,961	765,197
Social security costs	55,407	57,538
Other pension costs	46,754	48,730
	816,123	871,465

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

### 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
	£	£	£
<b>Cost</b>			
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>
<b>At 31 March 2024</b>	<b>626,606</b>	<b>64,286</b>	<b>690,892</b>
<b>Depreciation and impairment</b>			
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>
<b>At 31 March 2024</b>	<b>350,492</b>	<b>60,185</b>	<b>410,677</b>
<b>Carrying amount</b>			
At 31 March 2024	276,114	4,101	280,215
	<u>276,114</u>	<u>4,101</u>	<u>280,215</u>
At 31 March 2023	317,011	4,770	321,781
	<u>317,011</u>	<u>4,770</u>	<u>321,781</u>

### 12 Debtors

	2024	2023
	£	£
<b>Amounts falling due within one year:</b>		
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				Transfers £	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)	-	-	-	91,988	(159,506)	67,518	-	-	
Music Hub (Core + Extension)	-	142,193	(552,742)	410,549	-	-	408,231	(640,735)	232,504	-	-	
In Harmony	-	347,871	(381,920)	34,049	-	-	150,000	(246,826)	96,826	-	-	
	203,733	639,909	(1,114,152)	444,598	-	174,088	650,219	(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>
<b>Previous year:</b>	<b>At 1 April 2022 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Transfers £</b>	<b>At 31 March 2023 £</b>
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	
		255,498		505,338		144,441		208,258		523,461		174,088		905,807	



# 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
<b>Cash generated from/(absorbed by) operations</b>	<b>111,168</b>	<b>(56,336)</b>