



CALDERDALE MUSIC TRUST

LIMITED

ACCOUNTS

31 JULY 2020

Company Registration Number 08597862

Charity Number 1154343



Spenser Wilson
Chartered Accountants & Business Advisers

CALDERDALE MUSIC TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2020

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CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

YEAR ENDED 31 JULY 2020

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 July 2020.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Calderdale Music Trust Limited
Charity registration number	1154343
Company registration number	08597862
Principal office and registered office	Heath Training And Development Centre Free School Lane Halifax West Yorkshire HX1 2PT

THE TRUSTEES

C Wightman (Primary School Headteacher)	
S Wild (Leeds Arts Form)	
K Rivett	(Retired 30 April 2020)
P N Brennan (Education Consultant)	
T Gwynn (Eureka Manager)	(Retired 13 March 2020)
P Reynoldson (Rochdale Music Service)	
S P Jones	(Appointed 20 November 2019)
D J Heywood (CMT Principal)	(Appointed 9 June 2020)
R Kelly	(Appointed 20 November 2019)
S R Lone	(Appointed 20 November 2019)
A J Sapey	

Independent examiner	E A Short FCA Equitable House 55 Pellon Lane Halifax West Yorkshire HX1 5SP
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Bank	Lloyds Bank Commercial Street Halifax HX1 1BB
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Solicitor	Wilkinson Woodward 11 Fountain Street Halifax HX1 1LU
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CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)*

YEAR ENDED 31 JULY 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a charitable company limited by guarantee, incorporated on 4 July 2013 and registered as a charity on 25 October 2013. The Company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under the Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

The Board of Trustees are responsible for the overall strategy of the company. The Board meets termly and is chaired Peter Reynoldson. The CMT Principal is responsible for the day to day management.

Calderdale Music Trust is committed to ensuring that we pay our staff and self-employed tutors fairly and in a way which ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives. The appropriateness of staff remuneration is reviewed annually, including reference to comparisons with similar organisations ensuring CMT remains sensitive to the broader issues e.g. pay and employment conditions elsewhere.

Recruitment and appointment of trustees

All the Company Directors are also Trustees of the Charity. The Principal of the Trust is also a Company Director and Charity Trustee. The trustees may appoint one or more sub-committees to carry out any duty which in the opinion of the trustees would be more conveniently undertaken by a sub-committee, who would then in turn report to the trustees.

Trustees are recruited by the Board to always ensure that the Board has expertise across all areas of the interest of CMT. A skills audit will be completed when necessary to highlight the areas of expertise that may need strengthening. The recommended processes from the Arts Council will be followed. The development of the Board is crucial to CMT's future sustainability and essential for ensuring it is fit for purpose. The Board is also sourcing expertise.

Trustee induction and training

On appointment a trustee is given an information pack that includes the Memorandum and Articles of Association and the latest accounts. Training needs are assessed and met as required. At the first trustees meeting after the Annual General Meeting, all trustees are reminded of their responsibilities and new trustees provided with a copy of CC3: Responsibilities of the Charity Trustees. The trustees discuss and update the company's future plans and objectives document.

Risk management

The Management Committee has conducted a review of the major risks to which the charity is exposed, a risk register is maintained identifying financial, regulatory, business and operational risks and where appropriate, systems or procedures have been established to mitigate the risks the charity faces and additional policies put in place where required.

Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

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TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

(continued)

YEAR ENDED 31 JULY 2020

The Trustees have considered the risks facing CMT and believe the main risk is ensuring there is continuing funding from the Arts Council. Plans are being made to mitigate against any potential reduction in funding from central government.

The Trustees regard the health and safety of children as being of paramount importance and ensure staff are vetted by the Disclosure and Barring Service.

OBJECTIVES AND ACTIVITIES

Calderdale Music Trust aims to promote and support the highest quality music education for all. The company exists for the advancement of public education in all aspects of music in the Borough of Calderdale. In practice Calderdale Music Trust provides the delivery of the Local Authority's music service. CMT aims to provide a safe and encouraging environment where young people are nurtured, and their achievements celebrated.

Calderdale Music Education Hub funding is spent in accordance with Arts Council England guidelines and will support the following priorities from 'The Importance of Music: A National Plan for Music Education.'

Core roles

- a) Ensure that every child aged 5 to 18 has the opportunity to learn a musical
- b) Provide opportunities to play in ensembles and to perform from an early stage
- c) Ensure that clear progression routes are available and affordable to all young people.
- d) Develop a singing strategy to ensure that every pupil sings regularly and that choirs and other vocal ensembles are available in the area.

Extension roles

- a) Offer CPD training to music teachers.
- b) Provide an instrument loan service, with discounts or free provision for those on low incomes.
- c) Provide access to large scale and/or high quality music experiences for pupils, working with professional musicians and/or venues.

STRATEGIC REPORT

The following sections for achievements and performance and financial review form the strategic report of the charity.

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COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

(continued)

YEAR ENDED 31 JULY 2020

ACHIEVEMENTS AND PERFORMANCE

Throughout 2019/20, there have been several significant changes at Calderdale Music Trust, including the impact of COVID-19. In April 2020, the outgoing CEO of Calderdale Music Trust retired and was replaced by the new permanent appointment of a Principal from June 2020.

Relationships with schools continue to be effective. 3 new employed Music Leaders commenced working for Calderdale Music Trust in September 2019. The Music Leaders had specific areas responsibility for WCET, SMEPs, the Singing Strategy and Ensemble/Instrumental development. This led to a full review of the instrumental and ensemble provision at Calderdale Music Education Hub. Several high-profile events were created that engaged with a large number of schools in different settings throughout the whole of Calderdale. These should have culminated in performances from both instrumental ensembles and massed vocal ensembles at the Victoria Theatre in June and November 2020 and the Bridgewater Hall in 2021. Unfortunately, these events were cancelled due to COVID-19. COVID-19 has also given the opportunity to pause and reflect on the entire instrumental and ensemble provision offered both by Calderdale Music Trust and Calderdale Music Education Hub.

Since being established in 2015, Calderdale Music Education Hub has used a self-employed workforce to deliver the majority of its provision. In June and July 2020, Calderdale Music Trust undertook a recruitment campaign which led to the appointment of 10 employed Music Leaders who had all previously worked as self-employed tutors. The main catalyst for this process was to ensure a high-quality provision is delivered throughout Calderdale.

Calderdale Music Education Hub have continued their journey of self-improvement throughout 2019/20. In the most recent Milestone Plan, Calderdale Music Education Hub achieved engagement in WCET in 49% of schools and the Singing Strategy in 71.5% of schools. Further plans were already in place to achieve a new aspirational target of engagement of WCET in 55% and the Singing Strategy in 75% of schools by July 2020. Unfortunately, due to COVID-19, it was not possible to achieve the target at this time. Such improvements in WCET provision were addressed through the 11 weeks 'free' offer and £300 support offer to schools that are delivering their own WCET provision.

In January 2019, a review of the existing Service Level Agreements and provision was undertaken with a range of stakeholders including Headteachers. The outcomes from the review included the requirement for Whole Class Ensemble Teaching provision to be clearer in its intent, implementation, and impact. It also needed to form part of a school's broad and balanced curriculum. The pricing structure also needed to be simplified with greater transparency in terms of Arts Council discounts and support. This resulted in a brand-new Service Level Agreement being created for schools from September 2020.

From the 2018/19 Annual Return, Calderdale Music Education Hub have improved in continuation from 12% to 27% in March 2020. This was partly achieved through effective delivery of Whole Class Ensemble Teaching with clear progression routes embedded within the offer to schools. There has also been a significant improvement in the quality of relationships with schools to further the opportunities for progression within Calderdale Music Education Hub. Engagement in Core Roles increased from 55.9% in 2018/19 to 88% in March 2020. The newly appointed Music Leaders from September 2019 with responsibility for Whole Class Ensemble Teaching, developed a range of materials to promote and support progression in Whole Class Ensemble Teaching. These materials have provided a robust platform for a new Whole Class Ensemble curriculum to be developed which include resources to

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TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

(continued)

YEAR ENDED 31 JULY 2020

measure and demonstrate effective progression in the classroom. As part of the needs analysis survey and research with headteachers, Calderdale Music Education Hub identified several additional areas where progression could be developed further. Opportunities for performing are key to ensuring effective progression as part of the planned delivery model and a wide range of opportunities were created. This included peer performances in the classroom, larger performances in school such as assemblies, opportunities to perform at local theatres such as Todmorden's Hippodrome Theatre in addition to large scale events such as the Victoria Theatre in in Halifax and The Bridgewater Hall in Manchester.

COVID-19 has had a significant effect on delivery and provision. Service Level Agreements are more than 50% lower than the same period in 2019. Currently 28 schools are engaging in Whole Class Ensemble Teaching compared to 58 schools in September 2019. There are currently 91 pupils engaging in instrumental tuition which has reduced since the lockdown period ended due to children and young people returning to school. This compares to 650 pupils in September 2019.

Calderdale Music Education Hub had been exploring remote online interactive tuition prior to COVID-19, however, the lockdown in March forced measures to be implemented far quicker than previously planned. A number of platforms were trialled for online provision in addition to a number of CPD sessions for tutors. The first online sessions were delivered straight after the Easter break 2020. These were offered to all pupils at a significantly subsidised rate of £6.50 per 20 minute individual lesson. Pupils in receipt of the Pupil Premium Grant funding were eligible to receive remote interactive online tuition at no cost. This proved to be very successful and will now form part of the standard SLA to schools and option for parents at home although the subsidised rate is due to expire from November 2020. 186 pupils engaged with Calderdale Music Education Hub's remote interactive online tuition of which 6 were eligible for lessons at no cost.

Regular email communications took place with all stakeholders throughout 2019- 2020. These increased during the lockdown period to ensure that schools, parents, tutors and the wider community were well informed on any developments or progress. Many of these communications were about significant changes and developments taking place at Calderdale Music Trust including the appointment of a new Principal and the transition and recruitment of self-employed tutors to employed Music Leaders. This required a new Communication Strategy and Plan to be created which now forms part of the Business Stabilisation Plan.

Through a developing partnership with the Calderdale School Effectiveness Service, Calderdale Music Trust were able to create a strategy to support schools through a structured CPD programme for the first time. Through both Primary and Secondary network meetings, the needs of schools and music coordinators were identified and a clear action plan with timescales was implemented. The areas of support given included leadership of music in schools, specialist music teaching, curriculum design, the recovery curriculum, identifying gaps in learning, non-specialist teaching and resources. Calderdale Music Education Hub is now part of the Calderdale School Effectiveness Service Cluster Group. Due to an improved relationship with schools through the CPD activities, there has been a significant increase in engagement with School Music Education Plans. Increasing from 33% in the 2017/18 Annual Data Return to 66.02% in the 2018/19 Annual Data Return, 80% of schools have now engaged in School Music Education Plans in Calderdale.

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TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

(continued)

YEAR ENDED 31 JULY 2020

Public Benefit statement

Calderdale Music Trust benefits the public by operating music centres and providing music education to the young people of Calderdale.

The Trustees have referred to the information contained in the Charity Commission's guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities. The Directors are satisfied that Calderdale Music Trust provides a public benefit in accordance with the Charity Commission's guidance.

GOING CONCERN

There are no material uncertainties about the charity's ability to continue.

FINANCIAL REVIEW

During the year unrestricted income exceeded expenditure by £12,888 (2019 - £170,078). The total funds of the Charity have decreased from £837,666 to £828,017. Free reserves at 31 July 2020, after accounting for restricted funds and reserves represented by fixed assets were £675,230 (2019 - £668,765).

The restricted fixed asset fund represents musical instruments, fixture and fittings and computer equipment transferred to Calderdale Music Trust Limited from Calderdale MBC in 2015, less depreciation charges. There was a transfer made between the unrestricted funds and the Arts Council restricted fund of £7,536 so as to not leave the restricted fund in deficit.

Reserves at the end of the year were £828,017 which are to be used to finance additional projects, trading in the ensuing year and as backup reserve.

Principal funding sources

The main sources of funding are from grants from the Arts Council and pupil and school tuition. Arts Council currently represents 59% of total income. Pupils and school tuition accounts for 37% of the total income and a further 4% of total income is obtained from other income sources.

Reserves policy

The Directors have examined the charity's requirements for reserves in light of the main risks to the organisation and have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be between six and nine months expenditure, in view of current economic difficulties, which amounts to approximately £450,000. Unrestricted funds are £712,674 including fixed assets of £37,444 leaving free reserves of £675,230. Restricted funds amount to £115,343.

Whilst this is higher than current policy, it is the intention of Trustees that they need to look to the long-term future of CMT both from a provision of service and building utilisation perspective. Therefore, the trustees are starting to accumulate reserves to enable them to respond to changes within the DfE and to changes that may be required to the premises and facilities.

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) (continued)

YEAR ENDED 31 JULY 2020

PLANS FOR FUTURE PERIODS

Our plans for the coming year are designed to allow CMT to continue to function successfully both as a deliverer of high-quality music education and as a trust mindful of its responsibilities to its employees, its clients and its future. Our fundraising initiatives will aim to support bursaries for children with challenging financial circumstances, this will be led through the development of an Inclusion Strategy with an Inclusion Consultant. We will focus on developing our activities to support the Hub's four core roles and three extension roles in addition to a proposed move to new premises.

TRUSTEES' RESPONSIBILITIES

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

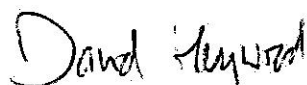
Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

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

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

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

The trustees' annual report and the strategic report were approved on 25 November 2020 and signed on behalf of the board of trustees by:



D J HEYWOOD
Trustee

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CALDERDALE MUSIC TRUST LIMITED *(continued)*

YEAR ENDED 31 JULY 2020

I report to the trustees on my examination of the financial statements of Calderdale Music Trust Limited ('the charity') for the year ended 31 July 2020.

RESPONSIBILITIES AND BASIS OF REPORT

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 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 of the Institute of Chartered Accountants in England and Wales (ICAEW), 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:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the financial statements have not been prepared in accordance with the Charities SORP (FRS 102).

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.



E A SHORT FCA

Independent Examiner

Equitable House
55 Pellon Lane
Halifax
West Yorkshire
HX1 5SP

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 JULY 2020

			2020		2019
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	9,332	348,339	357,671	339,133
Charitable activities	6	228,655	–	228,655	375,317
Total income		<u>237,987</u>	<u>348,339</u>	<u>586,326</u>	<u>714,450</u>
Expenditure					
Expenditure on charitable activities	7,8	225,099	370,876	595,975	632,970
Total expenditure		<u>225,099</u>	<u>370,876</u>	<u>595,975</u>	<u>632,970</u>
Net (expenditure)/income		<u>12,888</u>	<u>(22,537)</u>	<u>(9,649)</u>	<u>81,480</u>
Transfers between funds		(7,536)	7,536	–	–
Net movement in funds		<u>5,352</u>	<u>(15,001)</u>	<u>(9,649)</u>	<u>81,480</u>
Reconciliation of funds					
Total funds brought forward		707,322	130,344	837,666	756,186
Total funds carried forward		<u>712,674</u>	<u>115,343</u>	<u>828,017</u>	<u>837,666</u>

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

The notes on pages 12 to 23 form part of these financial statements.

CALDERDALE MUSIC TRUST LIMITED

Company Number: 08597862

COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL POSITION

31 JULY 2020

		2020		2019	
	Note	£	£	£	£
FIXED ASSETS					
Tangible fixed assets	14		152,787		168,901
CURRENT ASSETS					
Debtors	15	18,152		36,883	
Cash at bank and in hand		751,611		714,439	
		<u>769,763</u>		<u>751,322</u>	
CREDITORS: amounts falling due within one year	16	<u>94,533</u>		<u>82,557</u>	
NET CURRENT ASSETS			<u>675,230</u>		<u>668,765</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>828,017</u>		<u>837,666</u>
NET ASSETS			<u>828,017</u>		<u>837,666</u>
FUNDS OF THE CHARITY					
Restricted funds			115,343		130,344
Unrestricted funds			712,674		707,322
Total charity funds	20		<u>828,017</u>		<u>837,666</u>

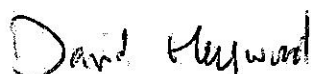
For the year ending 31 July 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on 25 November 2020, and are signed on behalf of the board by:



D J HEYWOOD
Trustee

The notes on pages 12 to 23 form part of these financial statements.

CALDERDALE MUSIC TRUST LIMITED**COMPANY LIMITED BY GUARANTEE****STATEMENT OF CASH FLOWS****YEAR ENDED 31 JULY 2020**

	2020	2019
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (expenditure)/income	(9,649)	81,480
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	19,702	19,676
Government grant income	(9,332)	—
Accrued expenses/(income)	11,378	(2,535)
<i>Changes in:</i>		
Trade and other debtors	3,147	(2,242)
Trade and other creditors	16,182	12,620
Cash generated from operations	31,428	108,999
Net cash from operating activities	31,428	108,999
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(3,588)	(14,388)
Net cash used in investing activities	(3,588)	(14,388)
CASH FLOWS FROM FINANCING ACTIVITIES		
Government grant income	9,332	—
Net cash from financing activities	9,332	—
NET INCREASE IN CASH AND CASH EQUIVALENTS	37,172	94,611
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	714,439	619,828
CASH AND CASH EQUIVALENTS AT END OF YEAR	751,611	714,439

The notes on pages 12 to 23 form part of these financial statements.

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

1. GENERAL INFORMATION

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Heath Training And Development Centre, Free School Lane, Halifax, West Yorkshire, HX1 2PT.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation

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

Going concern

From the review of forecasts and projections, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees have therefore continued to adopt the going concern basis in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are not considered to be any judgments or accounting estimates or assumptions that have a significant impact on the financial statements.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for a particular purpose.

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JULY 2020

3. ACCOUNTING POLICIES *(continued)*

Incoming resources

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

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

Resources expended

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

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

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

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JULY 2020

3. ACCOUNTING POLICIES *(continued)*

Tangible assets

All fixed assets are initially recorded at cost. Assets costing in excess of £1,000 intended to be of ongoing use to the charity in carrying out its activities are capitalised as fixed assets.

Depreciation

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

Fixtures, fittings and equipment	- 25% reducing balance
Musical instruments	- 15 years
Computer equipment	- 25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Grants receivable relating to Covid-19 are accounted for under the accrual method and recognised immediately as income in the Statement of Financial Activities. Where applied for and received these grants include payments under the Coronavirus Job Retention Scheme (furlough payments), Small Business Grant and interest paid by the Government during the first 12 months of Bounce Bank Loans.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JULY 2020

3. ACCOUNTING POLICIES *(continued)*

Taxation

As a registered charity, the company benefits from rates relief and is generally exempt from income tax and capital gains tax, but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

Financial instruments

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

Defined contribution plans

Retirement benefits to directors of the Calderdale Music Trust are provided by the Teachers' Pension Scheme (TPS).

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

4. LIMITED BY GUARANTEE

The company does not have a share capital being a company limited by guarantee. Individual trustee's liability is limited to a maximum of £1.

5. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
GRANTS			
Grants receivable	–	348,339	348,339
Government grant income	9,332	–	9,332
	<u>9,332</u>	<u>348,339</u>	<u>357,671</u>

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JULY 2020

5. DONATIONS AND LEGACIES *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
GRANTS			
Grants receivable	–	339,133	339,133
Government grant income	–	–	–
	<u>–</u>	<u>339,133</u>	<u>339,133</u>

6. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
School teaching income	92,387	92,387	136,717	136,717
Pupil Tuition	125,738	125,738	210,764	210,764
Concerts	74	74	3,444	3,444
Other income	455	455	3,483	3,483
Rock School & Virtual School	5,750	5,750	11,317	11,317
Room hire	4,251	4,251	9,592	9,592
	<u>228,655</u>	<u>228,655</u>	<u>375,317</u>	<u>375,317</u>

7. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Teaching for pupils	49,255	121,409	170,664
Music centres	7,036	17,344	24,380
Teaching for schools	60,985	150,317	211,302
Support costs	107,823	81,806	189,629
	<u>225,099</u>	<u>370,876</u>	<u>595,975</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Teaching for pupils	43,459	200,745	244,204
Music centres	13,969	64,524	78,493
Teaching for schools	20,177	93,202	113,379
Support costs	127,634	69,260	196,894
	<u>205,239</u>	<u>427,731</u>	<u>632,970</u>

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JULY 2020

8. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken		Total funds	Total fund
	directly	Support costs	2020	2019
	£	£	£	£
Teaching for pupils	170,665	77,453	248,118	349,859
Music centres	24,380	11,066	35,446	112,456
Teaching for schools	211,300	95,893	307,193	162,433
Governance costs	–	5,219	5,219	8,222
	<u>406,345</u>	<u>189,631</u>	<u>595,976</u>	<u>632,970</u>

9. ANALYSIS OF SUPPORT COSTS

Support costs attributable to more than one activity are allocated in proportion to staff time spent on the activities. The proportions are 52% parents, 6% music centre and 42% schools.

	Teaching for pupils	Music centres	Teaching for schools	Total 2020	Total 2019
	£	£	£	£	£
Staff costs	32,200	4,600	39,867	76,667	53,695
Premises	15,049	2,150	18,632	35,831	34,038
Communications and IT	1,796	257	2,223	4,276	3,080
General office	8,275	1,182	10,245	19,702	19,677
Human resources	2,546	364	3,152	6,062	17,855
Finance costs	764	109	945	1,818	2,739
Governance costs	2,191	313	2,713	5,217	8,219
Insurance	2,401	343	2,972	5,716	5,231
Travelling	1,215	174	1,504	2,893	4,478
Postage and stationery	871	124	1,079	2,074	1,676
Advertising	2,120	303	2,625	5,048	16,154
Computer and software	5,994	856	7,421	14,271	12,105
Miscellaneous expenses	430	65	534	1,029	6,224
Training costs	908	130	1,125	2,163	3,649
Subscriptions	2,769	396	3,430	6,595	7,022
Repairs and renewals	113	16	140	269	1,050
	<u>79,642</u>	<u>11,382</u>	<u>98,607</u>	<u>189,631</u>	<u>196,892</u>

10. NET (EXPENDITURE)/INCOME

Net (expenditure)/income is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation of tangible fixed assets	<u>19,702</u>	<u>19,676</u>

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JULY 2020

11. INDEPENDENT EXAMINATION FEES

	2020	2019
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	2,950	2,340
Other financial services	2,267	2,608
	<u>5,217</u>	<u>4,948</u>

12. STAFF COSTS

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

	2020	2019
	£	£
Wages and salaries	210,724	159,455
Social security costs	17,438	11,420
Employer contributions to pension plans	22,391	17,460
Bought in tutors	184,885	253,384
Ex gratia payments	35,000	–
	<u>470,438</u>	<u>441,719</u>

The ex gratia payment relates to £25,000 paid to Kevin Rivett as compensation for loss of office on 10th June 2020 and a further £10,000 to a singing leader also as compensation for loss of office on 28th October 2019.

Number of employees

The average head count of employees during the year was 8 (2019: 6). The average number of full-time equivalent employees during the year is analysed as follows:

	2020	2019
	No.	No.
Management and administration	4	4
Music leaders	4	2
	<u>8</u>	<u>6</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2020	2019
	No.	No.
£60,000 to £69,999	<u>1</u>	<u>–</u>

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JULY 2020

Key Management Personnel

The key management personnel of the Trust comprise the Principals. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £79,811 (2019: £78,841)

13. TRUSTEES REMUNERATION AND EXPENSES

Under the provisions of the Governing document, Mr K Rivett and Mr D Heywood (trustees) are employed by the charity to act as Principal and teach music to young persons in accordance with the objectives of the Charity and have been paid a salary of £36,026 (2019: £48,071) and £8,774 (2019: £nil) respectively, in respect of those services.

Kevin Rivett also received £25,000 as compensation for loss of office.

Pension contributions were also paid on behalf of Kevin Rivett of £7,933 and David Heywood of £2,078.

These trustees only receive remuneration in respect of services they provide undertaking the roles as Principal and teacher and not in respect of their services as a trustee.

Other trustees did not receive any payments from Calderdale Music Trust in respect of their role as trustees.

No expenses were paid to the trustees during the year (2019: £1,492).

14. TANGIBLE FIXED ASSETS

	Fixtures & fittings £	Musical instruments £	Computers £	Total £
Cost				
At 1 August 2019	58,970	214,763	7,120	280,853
Additions	–	3,588	–	3,588
At 31 July 2020	58,970	218,351	7,120	284,441
Depreciation				
At 1 August 2019	44,102	64,776	3,074	111,952
Charge for the year	3,737	14,484	1,481	19,702
At 31 July 2020	47,839	79,260	4,555	131,654
Carrying amount				
At 31 July 2020	11,131	139,091	2,565	152,787
At 31 July 2019	14,868	149,987	4,046	168,901

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JULY 2020

15. DEBTORS

	2020	2019
	£	£
Trade debtors	7,957	11,221
Prepayments and accrued income	10,195	23,236
Directors loan account	–	2,426
	<u>18,152</u>	<u>36,883</u>

16. CREDITORS: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	3,411	9,752
Accruals and deferred income	63,719	66,430
Social security and other taxes	2,281	3,996
Other creditors	25,122	2,379
	<u>94,533</u>	<u>82,557</u>

17. DEFERRED INCOME

	2020	2019
	£	£
At 1 August 2019	55,669	55,669
Amount released to income	(55,669)	(55,669)
Amount deferred in year	57,164	55,669
At 31 July 2020	<u>57,164</u>	<u>55,669</u>

Deferred income within accruals and deferred income included in note 16 is made up of Arts Council funding received in advance.

18. PENSIONS AND OTHER POST RETIREMENT BENEFITS

The Principal belongs to the Teachers' Pension Scheme, England and Wales (TPS) which is a multi-employer defined-benefit scheme. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The outstanding contributions of £828 (2019: £2,049) were paid in August 2020.

Teachers' Pension Scheme

The TPS is a statutory, contributory, defined benefit scheme governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full time teachers and, from 1 January 2007, automatic for teachers in part-time employment following appointment or change of contract, although they are able to opt out. The TPS is an unfunded scheme to which both the member and the employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by parliament

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JULY 2020

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The Valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

Employer contributions set at 23.68% (16.48% to September 2019) of pensionable pay (including a 0.08% employer administration charge).

Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million. " An Employer cost cap of 7.3% of pensionable pay will be applied to future valuations. " the SCAPE rate, set by HMT, is used to determine the notional investment return.

The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.5%. The next valuation result is due to be implemented from 1 April 2023.

The pension costs paid to TPS in the period amounted to £19,159 (2019: £15,243).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in the FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £5,283 (2019: £2,141).

19. GOVERNMENT GRANTS

The amounts recognised in the financial statements for government grants are as follows:

	2020	2019
	£	£
Recognised in income from donations and legacies:		
Coronavirus Job Retention Scheme Grant	<u>9,332</u>	<u>—</u>

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 JULY 2020

20. ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

	At 1 Aug 2019 £	Income £	Expenditure £	Transfers £	At 31 July 2020 £
General funds	<u>707,322</u>	<u>237,987</u>	<u>(225,099)</u>	<u>(7,536)</u>	<u>712,674</u>

	At 1 Aug 2018 £	Income £	Expenditure £	Transfers £	At 31 July 2019 £
General funds	<u>547,159</u>	<u>375,317</u>	<u>(205,239)</u>	<u>(9,915)</u>	<u>707,322</u>

Restricted funds

	At 1 Aug 2019 £	Income £	Expenditure £	Transfers £	At 31 July 2020 £
Fixed asset fund	130,344	–	(15,001)	–	115,343
Arts Council England	–	348,339	(355,875)	7,536	–
	<u>130,344</u>	<u>348,339</u>	<u>(370,876)</u>	<u>7,536</u>	<u>115,343</u>

	At 1 Aug 2018 £	Income £	Expenditure £	Transfers £	At 31 July 2019 £
Fixed asset fund	146,438	–	(16,094)	–	130,344
Arts Council England	62,589	339,133	(411,637)	9,915	–
	<u>209,027</u>	<u>339,133</u>	<u>(427,731)</u>	<u>9,915</u>	<u>130,344</u>

Restricted fixed asset fund represents musical instruments, fixtures and fittings and computers transferred to Calderdale Music Trust from Calderdale MBC in 2015, less depreciation charges.

Arts Council England is a grant towards the costs of extending the delivery of Music education hub activity.

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE DETAILED STATEMENT OF FINANCIAL ACTIVITIES *(continued)*

YEAR ENDED 31 JULY 2020

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	37,444	115,343	152,787
Current assets	769,763	–	769,763
Creditors less than 1 year	(94,533)	–	(94,533)
Net assets	<u>712,674</u>	<u>115,343</u>	<u>828,017</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Tangible fixed assets	38,557	130,344	168,901
Current assets	751,322	–	751,322
Creditors less than 1 year	(82,557)	–	(82,557)
Net assets	<u>707,322</u>	<u>130,344</u>	<u>837,666</u>

22. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Aug 2019 £	Cash flows £	At 31 Jul 2020 £
Cash at bank and in hand	<u>714,439</u>	<u>37,172</u>	<u>751,611</u>

23. RELATED PARTIES

Mr Rivett a trustee had an overdrawn loan account of £2,426 at 1 August 2019, this loan was cleared during the year. The loan was unsecured, interest free and repayable on demand.

All transactions are conducted in accordance with the Trust's normal procurement procedures.