



CALDERDALE MUSIC TRUST

LIMITED

ACCOUNTS

31 MARCH 2021

Company Registration Number 08597862

Charity Number 1154343



Spenser Wilson
Chartered Accountants & Business Advisers

CALDERDALE MUSIC TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021

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CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

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

PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021

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 period ended 31 March 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Calderdale Music Trust Limited		
Charity registration number	1154343		
Company registration number	08597862		
Principal office and registered office	The Old Magistrates Court Blackwall Halifax West Yorkshire HX1 2DL		
The trustees	D J Heywood	CMT Principal	
	C Wightman	Primary School Headteacher	
	P N Brennan	Education Consultant	Retired 25 Nov 2020
	P Reynoldson	Rochdale Music Service	
	S Wild		
	S P Jones		
	R Kelly		
	S R Lone		
	A J Sapey		
	J Brook		Appointed 13 Sept 2021
	E Landale		Appointed 13 Jan 2021
Independent examiner	E A Short FCA Equitable House 55 Pellon Lane Halifax West Yorkshire HX1 5SP		
Bank	Lloyds Bank Commercial Street Halifax HX1 1BB		
Solicitor	Wilkinson Woodward 11 Fountain Street Halifax HX1 1LU		

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

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

PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021

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 Calderdale Music Trust 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 Calderdale Music Trust 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 Calderdale Music Trust. 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 Calderdale Music Trust's future sustainability and essential for ensuring it is fit for purpose. The Board is also sourcing expertise in areas identified from the need analysis.

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)

PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021

The Trustees have considered the risks facing Calderdale Music Trust 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. Calderdale Music Trust 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 instrument.
- 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.

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

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

PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021

ACHIEVEMENTS AND PERFORMANCE

2020/21 has been a challenging period due to the ongoing impact caused by COVID-19, however, Calderdale Music Trust has been resilient and continued to make a positive impact on the advancement of excellent music education for the children and young people in Calderdale.

Relationships with schools have continued to improve. Twenty four schools engaged with Calderdale Music Trust for Whole Class Ensemble and School Curriculum provision and a further two schools requested Ensemble and Instrumental provision in September 2020. An additional two schools completed an SLA for Whole Class Ensemble and School Curriculum Tuition but were required to put this on hold by their Governing Body or Multi Academy Trust due to COVID. This compared to fifty schools that engaged with Whole Class Tuition prior to COVID.

Despite COVID-19, September 2020 saw Calderdale Music Trust's employed Music Leaders commence working in schools and teaching remotely. This employed model has enabled Calderdale Music Trust to develop a work force that has the ability, skills and training to deliver the organisation's vision and key objectives.

The key objectives are to provide excellent music and arts education for everyone in Calderdale, engage with and have an active partnership with 100% of schools, academies and other education providers and institutions, be recognised throughout the region for excellence in all areas of provision and to lead on national initiatives, partnerships and opportunities.

September 2020 also saw the implementation of the revised Service Level Agreement for schools. This saw the introduction of 'Whole Class Ensemble and School Curriculum' tuition and was offered for the whole school year. This was in response to feedback from schools and also specified that pupils would learn a musical instrument for at least one term, ensuring full compliance with Art Council requirements for Whole Class Ensemble Teaching. This replaced the eleven free weeks of Whole Class Ensemble Teaching offer.

Throughout 2020-2021, the organisation made effective use of the Flexible Programme of Activity as set out in the Business Stabilisation Plan. Despite a number of lockdowns, school closures and bubble closures, Calderdale Music Trust were able to maintain an effective level of provision through a modified face to face curriculum together with a detailed Risk Assessment, and online tuition.

At the start of COVID-19, 1:1 tuition numbers had fallen from 650 to just 91. A number of strategies were employed to improve these as part of the Business Recovery Plan which later became the Business Stabilisation Plan. These included the implementation of our high quality Whole Class Ensemble and School Curriculum Provision, free instrument hire for schools, two online Live Music in Schools broadcast live from Heath Campus events alongside eight face to face Live Music in Schools events in schools throughout July 2021. By the end of July 2021, there were 273 pupils receiving face to face 1:1 tuition and 59 pupils remained online.

Due to the continuing successes and expansion of Whole Class Ensemble Tuition and 1:1 tuition, the organisation ran two recruitment campaigns throughout the period. In January 2021, two guitar Music Leaders commenced employment with the Trust and in June 2021, a further three Music Leaders with specialisms in brass, guitar and piano were appointed and due to start employment in September 2021.

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

PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021

As the number of Music Leaders increased, the Trust implemented the next steps of the organisation leadership structure. Two internal Music Leaders were appointed as Temporary Acting-up middle leadership positions and the existing Temporary Acting Up positions of Assistant Principal and Business Manager were made permanent.

A full organisation rebranding exercise has taken place throughout 2020-21. The Other Person and Flic were appointed to lead Calderdale Music Trust through the process which would involve the following stages of Brand Discovery, Initial Brand Visualisation and Direction and Implementation and Designing Assets. The Brand Discovery stage saw detailed interviews and surveys taking place with a range of stakeholders including Calderdale Music Trust staff and Trustees, schools, community organisations, parents and pupils. The 2nd stage to identify the Initial Brand Visualisation and Direction has already commenced with the final stage anticipated to be completed by the end of October 2021.

Calderdale Music Trust continued to strengthen relationships with the Calderdale School Effectiveness Service throughout 2020-21. This included regular attendance at the termly Cluster and Hub meetings, leading a number of CPD events which included 'Let's Talk About Music' and 'Leadership of Music' which attracted more than thirty schools and formal partnerships were established with the three Teaching Hubs in Calderdale.

Working to achieve the objective of engaging and supporting disadvantaged and vulnerable children, Calderdale Music Trust were part of a formal partnership between Rochdale and Rotherham Music Services to create an Inclusion Strategy. This work was funded following a successful joint bid to Youth Music. Rezina Kelly Consultancy was awarded the contract to create the strategy which would create an individual strategy for each Music Education Hub. This strategy has now been created and is awaiting approval by the Calderdale Music Trust Board of Trustees.

The Heath Campus had become no longer fit for purpose for Calderdale Music Trust. The Board of Trustees were very supportive in a quest to find alternative and suitable accommodation for the future vision of the Trust to be realised. The Business Manager successfully found a suitable building at the Old Courthouse premises in central Halifax. These have been refurbished to a very high standard and Calderdale Music Trust moved into the premises in July 2021. The accommodation comprises four 1:1 teaching spaces, a dedicated ensemble rehearsal room, a large ensemble rehearsal room which will also be a high tech conference facility, a media teaching suite of seventeen iMac computers, a large multi-purpose performance area with conference facilities and numerous offices. There is also the potential to establish a small coffee facility and small music shop on the ground floor.

Due to the changes in leadership, the improved relationships and offer to schools, improved communication and emerging rebrand, high quality CPD, partnerships with Calderdale School Effectiveness Service, the number of School Music Education Plans that were carried out in 2020-21 increased to 85%. This is an increase from 80% in 2019-20. At the end of the academic year 2020-21, Calderdale Music Trust had maintained or developed an effective relationship with 90% of all schools through the Core or Extension Roles.

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

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

PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021

FINANCIAL REVIEW

During the 8-month period unrestricted income exceeded expenditure by £14,151 (Year ended 31 July 2020 - deficit - £9,650). The total funds of the Charity have increased from £828,017 to £842,168. Free reserves at 31 March 2021, after accounting for restricted funds and reserves represented by fixed assets were £649,922 (31 July 2020 - £675,230). 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.

Reserves at the end of the period were £842,168 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 Service Level Agreements with the Arts Council and pupil tuition. Arts Council currently represents 63% of total income. Pupil tuition accounts for 34% of the total income and a further 3% of total income is obtained from other income sources.

Investment policy

Aside from retaining a prudent amount in reserves each year most of the Charity's funds are to be spent in the short term so there are few funds available for long term investment. Having considered the options available, the Calderdale Music Trust Directors has decided to invest amount available in a short term interest bearing account.

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 in the region of nine months expenditure, in view of current economic and Covid-19 difficulties, which amounts to approximately £400,000. Unrestricted funds are £730,768 including fixed assets of £80,846 leaving free reserves of £649,922. Restricted funds amount to £111,400.

Whilst this is higher than current policy, it is the intention of Trustees that they need to look to the long-term future of Calderdale Music Trust both from a provision of service and building utilisation perspective. Calderdale Music Trust moved to new premises in July 2021 and work is continuing on refurbishing the building. The surplus fund are required to continue the refurbishment of the new premises and to enable Calderdale Music Trust to respond to changes within the DfE.

PLANS FOR FUTURE PERIODS

The recent move from self-employed tutors to employed Music Leaders, relocation from Heath Campus to the Old Courthouse, simplified pricing structure and SLA, organisation wide rebranding, the development and implementation of an Inclusion Strategy and continually improving relationships and engagement with stakeholders gives Calderdale Music a very clear direction when setting priorities and plans for the future. These are to continue to develop and embed excellent teaching and learning in all aspects of our delivery, to ensure that we provide a wide range of high quality inclusive music and arts opportunities and experiences for all children, young people and adults throughout Calderdale and to continuously review our financial strategy to provide good value for money whilst ensuring the long term stability and viability of the organisation.

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

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

PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021

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).

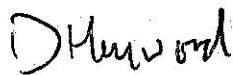
Company law requires the charity trustees to prepare financial statements for each period which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

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 29 September 2021 and signed on behalf of the board of trustees by:



D J HEYWOOD
Principal

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CALDERDALE MUSIC TRUST LIMITED

PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021

I report to the trustees on my examination of the financial statements of Calderdale Music Trust Limited ('the charity') for the period ended 31 March 2021.

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 methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (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)

PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021

		Period from 1 Aug 20 to 31 Mar 21			Year to 31 Jul 20
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	12,503	232,861	245,364	357,671
Charitable activities	6	125,095	—	125,095	228,655
Total income		<u>137,598</u>	<u>232,861</u>	<u>370,459</u>	<u>586,326</u>
Expenditure					
Expenditure on charitable activities	7,8	119,504	236,804	356,308	595,976
Total expenditure		<u>119,504</u>	<u>236,804</u>	<u>356,308</u>	<u>595,976</u>
Net income/(expenditure) and net movement in funds		<u>18,094</u>	<u>(3,943)</u>	<u>14,151</u>	<u>(9,650)</u>
Reconciliation of funds					
Total funds brought forward		712,674	115,343	828,017	837,666
Total funds carried forward		<u>730,768</u>	<u>111,400</u>	<u>842,168</u>	<u>828,017</u>

The statement of financial activities includes all gains and losses recognised in the period.
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 registration number: 08597862)

COMPANY LIMITED BY GUARANTEE**STATEMENT OF FINANCIAL POSITION****31 MARCH 2021**

	Note	31 Mar 21 £	31 Jul 20 £
FIXED ASSETS			
Tangible fixed assets	14	186,735	152,787
CURRENT ASSETS			
Debtors	15	21,197	18,152
Cash at bank and in hand		707,422	751,611
		<u>728,619</u>	<u>769,763</u>
CREDITORS: amounts falling due within one year	16	<u>73,186</u>	<u>94,533</u>
NET CURRENT ASSETS		<u>655,433</u>	<u>675,220</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>842,168</u>	<u>828,017</u>
NET ASSETS		<u>842,168</u>	<u>828,017</u>
FUNDS OF THE CHARITY			
Restricted funds		111,400	115,343
Unrestricted funds		730,768	712,674
Total charity funds	20	<u>842,168</u>	<u>828,017</u>

For the period ending 31 March 2021 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 period 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 29 September 2021, and are signed on behalf of the board by:



D J HEYWOOD
Principal

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

PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021

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 The Old Magistrates Court, Blackwall, Halifax, West Yorkshire, HX1 2DL

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)*

PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021

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)*

PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021

3. ACCOUNTING POLICIES *(continued)*

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

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 charity 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 Income and Retained Earnings.

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)*

PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021

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

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

TPS

Retirement benefits to a director of the Calderdale Music Trust is 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 Calderdale Music Trust 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.

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021

5. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Period from 1 Aug 20 to 31 Mar 21 £
GRANTS			
Grants receivable	–	232,861	232,861
Government grant income	12,503	–	12,503
	<u>12,503</u>	<u>232,861</u>	<u>245,364</u>
	Unrestricted Funds £	Restricted Funds £	Year to 31 Jul 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>

6. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Period from 1 Aug 20 to 31 Mar 21 £	Unrestricted Funds £	Year to 31 Jul 2020 £
School teaching income	62,763	62,763	92,387	92,387
Pupil Tuition	48,147	48,147	125,738	125,738
Concerts	–	–	74	74
Other income	8,185	8,185	455	455
Rock School & Virtual School	6,000	6,000	5,750	5,750
Room hire	–	–	4,251	4,251
	<u>125,095</u>	<u>125,095</u>	<u>228,655</u>	<u>228,655</u>

CALDERDALE MUSIC TRUST LIMITED**COMPANY LIMITED BY GUARANTEE****NOTES TO THE FINANCIAL STATEMENTS** *(continued)***PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021****7. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE**

	Unrestricted Funds £	Restricted Funds £	Period from 1 Aug 20 to 31 Mar 21 £
Pupil tuition	10,977	64,289	75,266
Music centres	1,568	9,185	10,753
School teaching	13,589	79,595	93,184
Support costs	93,370	83,735	177,104
	<u>119,504</u>	<u>236,804</u>	<u>356,307</u>

	Unrestricted Funds £	Restricted Funds £	Year to 31 Jul 2020 £
Pupil tuition	49,255	121,409	170,665
Music centres	7,036	17,344	24,380
School teaching	60,985	150,317	211,300
Support costs	107,823	81,806	189,631
	<u>225,099</u>	<u>370,876</u>	<u>595,976</u>

8. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly	Support costs	Period from 1 Aug 20 to 31 Mar 21 £	Year to 31 Jul 2020 £
Pupil tuition	75,266	70,884	146,383	248,118
Music centres	10,753	10,126	20,646	35,446
School teaching	93,184	87,759	180,943	307,193
Governance costs	—	8,336	8,336	5,219
	<u>179,203</u>	<u>177,105</u>	<u>356,308</u>	<u>595,976</u>

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021

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, 42% pupils, 6% music centre and, 52% teaching for schools.

				Period from 1 Aug 20 to 31 Mar 21	Year to 31 Jul 2020
	Pupil tuition	Music centres	School teaching		
	£	£	£	£	£
Staff costs	28,260	4,037	34,988	67,285	76,667
Premises	21,103	3,015	26,128	50,246	35,831
Communications and IT	776	111	960	1,847	4,276
Depreciation	5,214	745	6,455	12,414	19,702
Legal and professional fees	2,793	399	3,457	6,649	6,062
Finance costs	352	50	436	838	1,818
Insurance	1,984	283	2,456	4,723	5,716
Travelling	69	10	86	165	2,893
Postage and stationery	370	53	458	881	2,074
Advertising	1,877	268	2,324	4,469	5,048
Computer and software	2,187	312	2,707	5,206	14,271
Miscellaneous expenses	748	107	927	1,782	1,029
Training costs	1,688	241	2,090	4,019	2,163
Subscriptions	3,406	487	4,217	8,110	6,595
Repairs and renewals	57	8	70	135	269
	<u>70,884</u>	<u>10,126</u>	<u>87,759</u>	<u>168,769</u>	<u>184,414</u>
Governance costs	3,501	500	4,335	8,336	5,217
	<u>74,385</u>	<u>10,626</u>	<u>92,094</u>	<u>177,105</u>	<u>189,631</u>

10. NET INCOME/(EXPENDITURE)

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

	31 Mar 21	31 Jul 20
	£	£
Depreciation of tangible fixed assets	<u>12,414</u>	<u>19,702</u>

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021

11. INDEPENDENT EXAMINATION FEES

	Period from 1 Aug 20 to 31 Mar 21 £	Year to 31 Jul 20 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	3,000	2,950
Other financial services	2,336	2,267
	<u>5,336</u>	<u>5,217</u>

12. STAFF COSTS

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

	Period from 1 Aug 20 to 31 Mar 21 £	Year to 31 Jul 20 £
Wages and salaries	195,365	210,724
Social security costs	15,901	17,438
Employer contributions to pension plans	14,757	22,391
Bought in tutors	7,964	184,885
Ex gratia payment	—	35,000
	<u>233,987</u>	<u>470,438</u>

The average head count of employees during the period was 14 (2020: 8). The average number of full-time equivalent employees during the period is analysed as follows:

	31 Mar 21 No.	31 Jul 20 No.
Management and administration	4	4
Music leaders	8	4
	<u>12</u>	<u>8</u>

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

	31 Mar 21 No.	31 Jul 20 No.
£60,000 to £69,999	—	1

Key Management Personnel

Key Management Personnel

The key management personnel of the Trust comprise the trustees and the senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £47,441 (Year to 31 July 2020: £72,713).

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021

13. TRUSTEE REMUNERATION AND EXPENSES

Under the provisions of the Governing document, Mr D Heywood (trustee) is employed by the Charity to teach music to young persons in accordance with the objectives of the Charity and has been paid a salary of and £35,095 (Year ended 31 July 2020: £8,774), in respect of those services.

Pension contributions were also paid of £8,311. (Year to 31 July 2020 - £2,078)

These trustees only receive remuneration in respect of services they provide undertaking the roles of teaching 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 period. (Year to 31 July 2020: £NIL).

14. TANGIBLE FIXED ASSETS

	Short leasehold improvements £	Fixtures & fittings £	Musical instruments £	Computers £	Total £
Cost					
At 1 August 2020	—	58,970	218,351	7,120	284,441
Additions	32,628	—	6,933	6,801	46,362
At 31 March 2021	32,628	58,970	225,284	13,921	330,803
Depreciation					
At 1 August 2020	—	47,839	79,260	4,555	131,654
Charge for the period	—	1,856	9,972	586	12,414
At 31 March 2021	—	49,695	89,232	5,141	144,068
Carrying amount					
At 31 March 2021	32,628	9,275	136,052	8,780	186,735
At 31 July 2020	—	11,131	139,091	2,565	152,787

15. DEBTORS

	31 Mar 21 £	31 Jul 20 £
Trade debtors	10,980	7,957
Prepayments and accrued income	10,217	10,195
	21,197	18,152

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021

16. CREDITORS: amounts falling due within one year

	31 Mar 21	31 Jul 20
	£	£
Trade creditors	55,864	3,411
Accruals and deferred income	7,479	63,719
Social security and other taxes	7,339	2,281
Other creditors	2,504	25,122
	<u>73,186</u>	<u>94,533</u>

17. DEFERRED INCOME

	31 Mar 21	31 Jul 20
	£	£
At 1 Aug 20	57,164	55,669
Amount released to income	(57,164)	(55,669)
Amount deferred in period	—	57,164
At 31 Mar 21	<u>—</u>	<u>57,164</u>

Deferred income within accruals and deferred income included in note 16 is made up of:

Arts Council funding received in advance of the financial year was £NIL (2020: £55,669).

18. PENSIONS AND OTHER POST RETIREMENT BENEFITS

A Calderdale Music Trust Director belong 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 £17 (Year to 31 July 2020: £828) were paid in August 2021.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership.

Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021

The teachers' pension budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the teachers' pension scheme

As a result of the latest scheme valuation employer contributions were increased in September 2019 from a rate of 16.4% to 23.6%. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses. The next valuation is expected to take effect in 2023. A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website

<https://www.teacherspensions.co.uk/>

Scheme changes

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, rejected the Government's application for permission to appeal the Court of Appeal's ruling and subsequently referred the case to an Employment Tribunal to determine a remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

Since then, claims have also been lodged against the main public service schemes including the TPS. The Department has conceded those in line with the rest of the government. In July 2020 HM Treasury launched a 12-week public consultation which will provide evidence to support the delivery of an appropriate remedy for the affected schemes, including TPS.

A final remedy will be determined once the results of the consultation are established.

In December 2019, a further legal challenge was made against the TPS relating to an identified equalities issue whereby male survivors of opposite-sex marriages and civil partnerships are treated less favourably than survivors in same-sex marriages and civil partnerships. The Secretary of State for Education agreed not to defend the case. In June 2020, the Employment Tribunal recorded its findings in respect of the claimant. DfE is currently working to establish what changes are necessary to address this discrimination.

Any impact of these events will be taken into account when the next scheme valuation is implemented. This is scheduled to be implemented in April 2023, based on April 2020 data.

CALDERDALE MUSIC TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued)

PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021

Defined contributions plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £15,901 (Year to 31 July 2020 - £17,438)

19. GOVERNMENT GRANTS

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

	31 Mar 21	31 Jul 20
	£	£
Recognised in income from donations and legacies:		
Government grants income	<u>12,503</u>	<u>9,332</u>

20. ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

	At 1 Aug 2020	Income	Expenditure	Transfers	At 31 Mar 2021
	£	£	£	£	£
General funds	<u>712,674</u>	<u>137,598</u>	<u>(119,504)</u>	<u>—</u>	<u>730,768</u>

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

Restricted funds

	At 1 Aug 2020	Income	Expenditure	Transfers	At 31 Mar 2021
	£	£	£	£	£
Fixed asset fund	<u>115,343</u>	<u>—</u>	<u>(9,454)</u>	<u>—</u>	<u>105,889</u>
Arts Council England	<u>—</u>	<u>232,861</u>	<u>(227,350)</u>	<u>—</u>	<u>5,511</u>
	<u>115,343</u>	<u>232,861</u>	<u>(236,804)</u>	<u>—</u>	<u>111,400</u>

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

The 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 FINANCIAL STATEMENTS *(continued)*

PERIOD FROM 1 AUGUST 2020 TO 31 MARCH 2021

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	80,846	105,889	186,735
Current assets	723,108	5,511	728,619
Creditors less than 1 year	(73,186)	—	(73,186)
Net assets	<u>730,768</u>	<u>111,400</u>	<u>845,168</u>

	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>

22. OPERATING LEASE COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases are as follows:

	31 Mar 21 £	31 Jul 20 £
Not later than 1 year	29,250	—
Later than 1 year and not later than 5 years	234,000	—
	<u>263,250</u>	<u>—</u>

23. RELATED PARTIES

During the year, the charity commissioned consultancy work relating to Youth Music Hubs from Rezina Kelly, a trustee. The total value of work done was £3,000 and this amount remains outstanding at the year end. This work was done on an arms-length basis in accordance with normal market terms.

