



CALDERDALE MUSIC

LIMITED

ACCOUNTS

31 MARCH 2022

Company Registration Number 08597862

Charity Number 1154343



Spenser Wilson
Chartered Accountants & Business Advisers

CALDERDALE MUSIC LIMITED
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

	PAGE
Trustees' annual report (incorporating the director's report)	1
Independent examiner's report to the trustees	8
Statement of financial activities (including income and expenditure account)	9
Statement of financial position	10
Statement of cash flows	11
Notes to the financial statements	12

CALDERDALE MUSIC LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

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 March 2022.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Calderdale Music Limited
Charity registration number	1154343
Company registration number	08597862
Principal office and registered office	The Old Courthouse Blackwall Halifax West Yorkshire HX1 2DL
The Trustees	C Wightman S Wild J Brook P Reynoldson S P Jones D J Heywood R Kelly S R Lone A J Sapey E Landale M Sharp (Appointed 13 September 2021) (Retired 14 May 2022) (Appointed 6 July 2022)
Independent examiner	E A Short Equitable House 55 Pellon Lane Halifax West Yorkshire HX1 5SP

CALDERDALE MUSIC LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

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 charity changed its name from Calderdale Music Trust Limited to Calderdale Music Limited on 1 November 2021.

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 Ltd Principal is responsible for the day to day management.

Calderdale Music Ltd 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 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 Calderdale 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 Ltd. 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 Ltd'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.

CALDERDALE MUSIC LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

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

The Trustees have considered the risks facing Calderdale Music Ltd 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 ensures staff are vetted by the Disclosure and Barring Service.

OBJECTIVES AND ACTIVITIES

Calderdale Music Ltd 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 Ltd provides the delivery of the Local Authority's music service. Calderdale Music Ltd 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 LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

ACHIEVEMENTS AND PERFORMANCE

Calderdale Music Ltd has continued to deliver effectively towards the advancement of excellent music education for the children and young people in Calderdale throughout 2021/22. The organisation also continued to demonstrate resilience against the impact caused by the effect of COVID-19 since March 2020 which only saw all restrictions fully lifted from 21 June 2021.

Calderdale Music's 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.

The Old Courthouse is now well established as Calderdale Music's headquarters. The office areas, 1:1 and small group teaching areas, the ensemble room, the Board Room and performance space have now been completed and are operating successfully. The Coffee Shop has been fitted out but is not yet operating commercially until appropriate staffing is in place and sufficient training has been undertaken. The Music Shop and Media Suite are currently on hold whilst further needs analysis takes place to ensure the commercial and operational success of the spaces. An additional wing has also been agreed in principle to provide Calderdale Music Ltd with a number of additional practice rooms, office space, small kitchen area and dedicated children's toilet facilities. It is anticipated that this additional space will be operational by early 2023.

The organisation wide rebranding has now been fully implemented and included a new website, Service Level Agreement for schools and Wayfinding in and around The Old Courthouse. The rebranding also provided a new vision statement, mission statement and organisational values. These form the foundations for all provision taking place by Calderdale Music Ltd.

Calderdale Music's vision statement is 'to open life-long music and arts opportunities to all, providing a cultural heart for Calderdale that unites, motivates and inspires people to live more creative lives.'

Our Mission is 'to listen to and collaborate with our schools, partners, communities and individuals, so together we can offer the best in teaching and specialist music and arts education, along with access to a wide range of performance opportunities and facilities. By nurturing relationships and being ambitious we will keep raising the bar, helping us to better reflect and respond to the changing needs of the communities we serve.'

The values at Calderdale Music Ltd are Honesty, Expertise, Achievement, Reliability and Together.

Throughout 2021/22, Calderdale Music Ltd delivered Whole Class Ensemble and School Curriculum Tuition in 40 schools. This is a significant increase from 24 schools that received tuition in 2020/21. This was a very positive increase in provision, particularly when considering that a number of COVID related restrictions and measures were still in place when Service Level Agreements were issued and agreed.

The number of pupils receiving 1:1 and small group tuition continued to improve throughout 2021/22. During the early stages of the pandemic, 1:1 and small group tuition numbers plummeted to 91 from 650. There are now 567 pupils receiving weekly tuition with a further 217 pupils on the waiting list. Music Education Hubs throughout England are continuing to struggle with recruiting high quality candidates and Calderdale Music Ltd continues to experience a higher demand than our current staffing capacity will allow. A range of innovative recruitment strategies are already in place and 4 new Music

CALDERDALE MUSIC LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

Leaders have been appointed from September 2022. Additional recruitment will also continue throughout the academic year.

A number of staffing developments also took place during the year. L Durrans was appointed as a permanent and full time Project Lead. This is a middle leadership position with responsibility for Equality, Diversity and Inclusion and our Strategy for Singing in Calderdale. J Parker has been appointed as a temporary acting up Ensemble and Instrumental Tuition Lead from September 2022 to oversee the development of ensembles and 1:1 teaching both in schools and at Calderdale Music Ltd.

A number of CPD and training events took place for Music Leaders both in schools and at Calderdale Music Ltd. Through our ongoing School Music Education Plans, school and Music Leader needs were identified and addressed through a number of CPD and training events. At least 15 representatives attended each of the 4 sessions throughout the year. There were also two CPD sessions delivered as part of School Centred Initial Teacher Training Programmes.

Working in partnership with Rotherham and Rochdale Music Services, Calderdale Music Ltd has completed the first year of the implementation of its Inclusion Strategy which was funded by Youth Music. The strategy has enabled Calderdale Music Ltd to successfully embed Inclusion into all areas of provision and there has been a significant impact on the schools and pupils that we engage with. An ongoing strategy is now being developed by the Project Lead.

FINANCIAL REVIEW

During the year unrestricted expenditure exceeded expenditure by £39,496 (Year to 31 July 2021 - £14,152). The total funds of the Charity have decreased from £842,167 to £791,280. Free reserves at 31 March 2022, after accounting for restricted funds and reserves represented by fixed assets were £434,031 (31 July 2021 - £652,921). The restricted fixed asset fund represents musical instruments, fixture and fittings and computer equipment transferred to Calderdale Music Limited from Calderdale MBC in 2015, less depreciation charges.

Reserves at the end of the year were £791,280 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 53% of total income. Pupils tuition accounts for 39% of the total income and a further 8% 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 Ltd Directors has decided to invest amount available in a short term interest bearing account.

CALDERDALE MUSIC LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

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 difficulties, which amounts to approximately £520,000. Unrestricted funds are £698,479 including fixed assets of £264,448 leaving free reserves of £434,031. Restricted funds amount to £100,009, which includes restricted fixed assets of £92,801. Reserves are lower than the current policy and the trustees are looking to increase reserves to the required level in the ensuing year.

The Trustees are also conscious that they need to look to the long-term future of Calderdale Music Ltd in terms of the provision of service and to enable them to respond to changes within the DfE

Calderdale Music Ltd has moved premises during the year and the surplus fund have been utilised to facilitate the move.

PLANS FOR FUTURE PERIODS

A consortium group comprising Calderdale Music Ltd, The Victoria Theatre, The Piece Hall, Artworks and IOU Theatre has continued to lead Calderdale's Cultural Educational Partnership. The consortium group has oversight of the emerging Cultural Educational Partnership strategy that will be developed through a period of consultation work with children and young people from September 2022. This will provide Calderdale Music Ltd with the needs and expectations of children and young people in Music and the Arts in Calderdale to aid developmental planning and strategies in the coming years.

The refreshed National Plan for Music Education was released by the DfE in June 2022. This sets out the new strategy and plan for schools, Music Hubs and other Arts and Music providers until 2030. There are some exciting opportunities for Music Hubs in the delivery of the new aims and strategic functions outlined in the document. There will also be 4 new Centres of Excellence established in Inclusion, CPD, Music Technology and Pathways to Industry.

There are also a number of challenges in the implantation of the plan as there continues to be a shortage of high quality music teachers within the sector. The DfE and Arts Council have also indicated that they wish to reduce the number of Music Hubs by Lead Organisations covering a wider geographical area. The timescale and process for this will be shared by the DfE and Arts Council in Autumn 2022.

CALDERDALE MUSIC LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

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 27 September 2022 and signed on behalf of the board of trustees by:



D J Heywood
Trustee

CALDERDALE MUSIC LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

I report to the trustees on my examination of the financial statements of Calderdale Music Limited ('the charity') for the year ended 31 March 2022.

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.

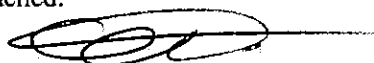
INDEPENDENT EXAMINER'S STATEMENT

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
Independent Examiner

Equitable House
55 Pellon Lane
Halifax
West Yorkshire
HX1 5SP

CALDERDALE MUSIC LIMITED**COMPANY LIMITED BY GUARANTEE****STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)****YEAR ENDED 31 MARCH 2022**

		Year to 31 Mar 22			Period from 1 Aug 20 to 31 Mar 21
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	9,037	349,794	358,831	245,364
Charitable activities	6	285,491	–	285,491	125,095
Total income		<u>294,528</u>	<u>349,794</u>	<u>644,322</u>	<u>370,459</u>
Expenditure					
Expenditure on charitable activities	7,8	334,024	361,185	695,209	356,307
Total expenditure		<u>334,024</u>	<u>361,185</u>	<u>695,209</u>	<u>356,307</u>
Net (expenditure)/income and net movement in funds		<u>(39,496)</u>	<u>(11,391)</u>	<u>(50,887)</u>	<u>14,152</u>
Reconciliation of funds					
Total funds brought forward		730,767	111,400	842,167	828,016
Total funds carried forward		<u>691,271</u>	<u>100,009</u>	<u>791,280</u>	<u>842,167</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 24 form part of these financial statements.

CALDERDALE MUSIC LIMITED**COMPANY LIMITED BY GUARANTEE****STATEMENT OF FINANCIAL POSITION** *(continued)***31 MARCH 2022**

		2022	2021
	Note	£	£
FIXED ASSETS			
Tangible fixed assets	14	357,249	186,735
CURRENT ASSETS			
Debtors	15	19,904	21,197
Cash at bank and in hand		467,653	707,422
		<u>487,557</u>	<u>728,619</u>
CREDITORS: amounts falling due within one year	16	<u>53,526</u>	<u>73,187</u>
NET CURRENT ASSETS		<u>434,031</u>	<u>655,432</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>791,280</u>	<u>842,167</u>
NET ASSETS		<u>791,280</u>	<u>842,167</u>
FUNDS OF THE CHARITY			
Restricted funds		100,009	111,400
Unrestricted funds		691,271	730,767
Total charity funds	20	<u>791,280</u>	<u>842,167</u>

For the year ending 31 March 2022 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 27 September 2022, and are signed on behalf of the board by:



D J Heywood
Trustee

The notes on pages 12 to 24 form part of these financial statements.

CALDERDALE MUSIC LIMITED
COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (expenditure)/income	(50,887)	14,152
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	58,540	12,414
Government grant income	(9,037)	(12,503)
Accrued (income)/expenses	(164)	1,024
<i>Changes in:</i>		
Trade and other debtors	1,293	(695)
Trade and other creditors	(19,496)	(23,226)
Cash generated from operations	(19,751)	(8,834)
Net cash used in operating activities	(19,751)	(8,834)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(232,633)	(46,362)
Proceeds from sale of tangible assets	3,578	—
Net cash used in investing activities	(229,055)	(46,362)
CASH FLOWS FROM FINANCING ACTIVITIES		
Government grant income	9,037	12,503
Net cash from financing activities	9,037	12,503
NET DECREASE IN CASH AND CASH EQUIVALENTS	(239,769)	(42,693)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	707,422	751,610
CASH AND CASH EQUIVALENTS AT END OF YEAR	467,653	708,917

The notes on pages 12 to 24 form part of these financial statements.

CALDERDALE MUSIC LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

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 Courthouse, 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 LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

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 LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

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.

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:

Leasehold building	- 10 years
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 Income and Retained Earnings. 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 LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

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 Ltd 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 Charity 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 Charity 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 2022 £
GRANTS			
Grants receivable	–	349,794	349,794
Government grant income	9,037	–	9,037
	<u>9,037</u>	<u>349,794</u>	<u>358,831</u>

CALDERDALE MUSIC LIMITED**COMPANY LIMITED BY GUARANTEE****NOTES TO THE FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 MARCH 2022****5. DONATIONS AND LEGACIES** *(continued)*

	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>

6. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Period from 1 Aug 20 to 31 Mar 21 £
School teaching income	103,481	103,481	62,763	62,763
Pupil Tuition	158,319	158,319	48,147	48,147
Other income	12,358	12,358	8,185	8,185
Rock School & Virtual School	4,540	4,540	6,000	6,000
Room hire	6,793	6,793	—	—
	<u>285,491</u>	<u>285,491</u>	<u>125,095</u>	<u>125,095</u>

7. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Pupil tuition	26,593	110,036	136,629
Music centres	5,455	22,572	28,027
School teaching	36,139	149,536	185,675
Support costs	265,837	79,041	344,878
	<u>334,024</u>	<u>361,185</u>	<u>695,209</u>

	Unrestricted Funds £	Restricted Funds £	Total 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>

CALDERDALE MUSIC LIMITED**COMPANY LIMITED BY GUARANTEE****NOTES TO THE FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 MARCH 2022****8. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE**

	Activities undertaken directly	Support costs	Total funds 2022	Total fund Period from 1 Aug 20 to 31 Mar 21
	£	£	£	£
Pupil tuition	136,629	134,157	270,786	146,150
Music centres	28,027	27,449	55,476	20,879
School teaching	185,675	176,915	362,590	180,943
Governance costs	—	6,357	6,357	8,335
	<u>350,331</u>	<u>344,878</u>	<u>695,209</u>	<u>356,307</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 53% teaching for schools, 8% music centre and 39% pupils.

	Pupil tuition	Music centres	School teaching	Total 2022	Total Period from 1 Aug 20 to 31 Mar 21
	£	£	£	£	£
Staff costs	50,891	10,439	69,159	130,489	67,285
Premises	16,416	3,367	22,309	42,092	50,246
Communications and IT	1,009	207	1,371	2,587	1,847
General office	22,830	4,683	31,027	58,540	12,414
Human resources	4,051	831	5,505	10,387	6,649
Finance costs	973	200	1,323	2,496	838
Governance costs	6,965	1,428	9,464	17,857	8,336
Insurance	2,909	597	3,953	7,459	4,723
Travelling	1,299	267	1,766	3,332	165
Postage and stationery	551	113	748	1,412	881
Advertising	89	18	120	227	4,469
Computer and software	17,808	3,241	21,839	42,888	5,206
Miscellaneous expenses	2,966	608	4,031	7,605	1,782
Training costs	1,126	231	1,530	2,887	4,019
Subscriptions	4,617	947	6,275	11,839	8,110
Repairs and renewals	1,085	222	1,474	2,781	135
	<u>135,585</u>	<u>27,399</u>	<u>181,894</u>	<u>344,878</u>	<u>177,105</u>

CALDERDALE MUSIC LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

10. NET (EXPENDITURE)/INCOME

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

	2022	Period from 1 Aug 20 to 31 Mar 21
	£	£
Depreciation of tangible fixed assets	<u>58,540</u>	<u>12,414</u>

11. INDEPENDENT EXAMINATION FEES

	Year to 31 Mar 22	Period from 1 Aug 20 to 31 Mar 21
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	3,100	3,000
Other financial services	<u>3,258</u>	<u>2,336</u>
	<u>6,358</u>	<u>5,336</u>

12. STAFF COSTS

The average head count of employees during the year was 16 (2021: 14). The average number of full-time equivalent employees during the year is analysed as follows:

	2022	Period from 1 Aug 20 to 31 Mar 21
	No.	No.
Management and administration	6	4
Music leaders	<u>10</u>	<u>8</u>
	<u>16</u>	<u>12</u>

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

Key Management Personnel

Key Management Personnel

The key management personnel of the Charity comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Charity was £91,109 (2021: £47,441).

CALDERDALE MUSIC LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

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 £52,643 (8-month period ended 31 March 2021: £35,095) respectively, in respect of those services.

Mrs J Brook was appointed as a trustee in September 2021, Mrs Brook is employed as a Business and Enterprise Manager and was paid £24,855.

Pension contributions were also paid of £12,466 for Mr Heywood and £1,145 for Mrs Brook.

These trustees only receive remuneration in respect of services they provide undertaking the roles of teaching and business management, not in respect of their services as a trustee.

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

No expenses were paid to the trustees during the period. (Year ended 31 July 2021: £NIL).

14. TANGIBLE FIXED ASSETS

	Short leasehold improvements £	Fixtures & fittings £	Musical instruments £	Computers £	Total £
Cost					
At 1 April 2021	32,628	58,970	225,284	13,921	330,803
Additions	46,092	72,228	44,332	69,981	232,633
Disposals	—	—	(5,750)	—	(5,750)
At 31 March 2022	78,720	131,198	263,866	83,902	557,686
Depreciation					
At 1 April 2021	—	49,695	89,232	5,141	144,068
Charge for the year	7,872	13,003	17,589	20,076	58,540
Disposals	—	—	(2,171)	—	(2,171)
At 31 March 2022	7,872	62,698	104,650	25,217	200,437
Carrying amount					
At 31 March 2022	70,848	68,500	159,216	58,685	357,249
At 31 March 2021	32,628	9,275	136,052	8,780	186,735

CALDERDALE MUSIC LIMITED**COMPANY LIMITED BY GUARANTEE****NOTES TO THE FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 MARCH 2022**

15. DEBTORS

	2022	2021
	£	£
Trade debtors	5,151	10,980
Prepayments and accrued income	14,753	10,217
	<u>19,904</u>	<u>21,197</u>

16. CREDITORS: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	45,524	55,864
Accruals and deferred income	7,315	7,479
Social security and other taxes	—	7,339
Other creditors	687	2,505
	<u>53,526</u>	<u>73,187</u>

17. DEFERRED INCOME

	2022	2021
	£	£
At 1 Apr 21	—	57,164
Amount released to income	—	(57,164)
At 31 Mar 22	<u>—</u>	<u>—</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 (2021: £Nil).

CALDERDALE MUSIC LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

18. PENSIONS AND OTHER POST RETIREMENT BENEFITS

The Calderdale Music Ltd 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.

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.

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 the Teachers' Pension Scheme website

The pension cost paid to TPS in the period amounted to £17,835 (8-month period to 31 March 2021: £13,200).

CALDERDALE MUSIC LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

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.

19. GOVERNMENT GRANTS

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

	2022	2021
	£	£
Recognised in income from donations and legacies:		
Government grants income	<u>9,037</u>	<u>12,503</u>

CALDERDALE MUSIC LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

20. ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

	At 1 April 2021 £	Income £	Expenditure £	At 31 Mar 2022 £
General funds	<u>730,767</u>	<u>294,528</u>	<u>(334,024)</u>	<u>691,271</u>

	At 1 Aug 2020 £	Income £	Expenditure £	At 31 Mar 2021 £
General funds	<u>712,673</u>	<u>137,598</u>	<u>(119,504)</u>	<u>730,767</u>

Restricted funds

	At 1 April 2021 £	Income £	Expenditure £	At 31 Mar 2022 £
Fixed asset fund	105,889	–	(13,088)	92,801
Arts Council England	<u>5,511</u>	<u>349,794</u>	<u>(348,097)</u>	<u>7,208</u>
	<u>111,400</u>	<u>349,794</u>	<u>(361,185)</u>	<u>100,009</u>

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

The Restricted fixed asset fund represents musical instruments, fixtures and fittings and computers transferred to Calderdale Music Ltd 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 LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	264,448	92,801	357,249
Current assets	480,349	7,208	487,557
Creditors less than 1 year	(53,526)	—	(53,526)
Net assets	691,271	100,009	791,280

	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	(70,187)	—	(70,187)
Net assets	733,767	111,400	845,167

22. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2021 £	Cash flows £	At 31 Mar 2022 £
Cash at bank and in hand	707,422	(239,769)	467,653

23. OPERATING LEASE COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases are as follows:	2022	2021
	£	£
Not later than 1 year	29,250	29,250
Later than 1 year and not later than 5 years	234,000	234,000
	263,250	263,250

24. RELATED PARTIES

There were no related party transactions during this year.