



**Calderdale
Music**

CALDERDALE MUSIC

LIMITED

ACCOUNTS
31 MARCH 2023

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 2023

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CALDERDALE MUSIC LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2023

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 2023.

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 (Retired 28 September 2022) D J Heywood R Kelly S R Lone (Retired 28 September 2022) A J Sapey E Landale (Retired 14 May 2022) J Clayton (Appointed 26 September 2023) K Rezina M Sharp (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 2023

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 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.

The charity formed a trading subsidiary, Rhythm & Brews Ltd on 1 November 2022, the subsidiary will operate the café at The Old Courthouse. No trading figures are available for consolidation in these accounts.

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.

CALDERDALE MUSIC LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2023

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.

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 ensure 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.

CALDERDALE MUSIC LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2023

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 2022/23.

Calderdale Music Ltd'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.

Calderdale Music Ltd operates from its headquarters The Old Courthouse and comprises high quality accommodation including office areas, 1:1 and small group teaching areas, ensemble rooms, a Board Room and performance space. The coffee shop has also commenced trading as Rhythm & Brews. 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 will provide Calderdale Music Ltd with a number of additional practice rooms, office space, small kitchen area and dedicated children's toilet facilities from May 2023. Calderdale Music Ltd'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 2022/23, Calderdale Music Ltd delivered Whole Class Ensemble and School Curriculum Tuition in 40 schools. This equates to 132 separate classes of Whole Class Ensemble Tuition per week.

The number of pupils receiving 1:1 and small group tuition continued to improve throughout 2022/23. There are now 602 pupils receiving weekly tuition with a further 111 pupils on the waiting list. This is an increase from 567 at the same point in 2021/22. 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 a number of Music Leaders were appointed throughout the year. Additional recruitment will also continue throughout the academic year.

A number of staffing developments also took place during the year. The middle leadership team continued to oversee schools, instrumental tuition, ensembles and inclusion. There were also a number of appointments made to other positions within the organisation including members of the admin team, site services and Rhythm & Brews Ltd.

CALDERDALE MUSIC LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2023

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 four sessions throughout the year. There were also two CPD sessions delivered as part of School Centred Initial Teacher Training Programmes.

Calderdale Music Ltd have been part of Youth Music's IDEA Accreditation Programme Pilot. This saw eight Music Education Hubs in England undertake a programme to develop and showcase our work in Inclusion, Diversity, Equity and Access (IDEA). Calderdale Music have been praised for their approach in embedding Inclusion in all aspects of the organisation.

In November 2022, Calderdale Music presented the My Voice Matters programme at the Music Mark National Conference in Newcastle. My Voice Matters is an arts based programme to raise achievement in schools through music, poetry and the Forest School. The Music Mark presentation featured four members of staff and thirty pupils from a number of schools in the Elland Cluster in Calderdale.

Throughout 2022/23, a number of high profile performance events took place at The Old Courthouse. These include termly performances for 1:1 and small group pupils, West Yorkshire wide wind and brass band rehearsals and performances and music video productions.

FINANCIAL REVIEW

During the year unrestricted income exceeded expenditure by £21,319 (2022 - £39,496). however, £118,289 has been transferred to restricted funds which was in deficit by £138,926. The total funds of the Charity have decreased from £791,280 to £673,673. Free reserves at 31 March 2023, after accounting for restricted funds and reserves represented by fixed assets were £211,702 (2022 - £434,031). The restricted fixed asset fund represents musical instruments, fixture and fittings and computer equipment transferred to Calderdale Music Limited from Calderdale MBA in 2015, less depreciation charges.

Reserves at the end of the year were £673,673 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 45% of total income. Pupils tuition accounts for 51% of the total income and a further 4% 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 2023

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 between six and nine months expenditure, in view of current economic difficulties, which amounts to approximately £600,000. Unrestricted funds are £594,301 including fixed assets of £382,599 leaving free reserves of £211,702. Restricted funds amount to £79,372, which is in relation to restricted fixed assets. 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

PLANS FOR FUTURE PERIODS

There are a number of exciting plans in place in the coming year. Calderdale Music Ltd are proud to be part of Culturedale 2024 which is a year long celebration of culture and the arts as part of Calderdale's 50th anniversary. This will include a number of large scale performances at the Victoria Theatre as part of Voices Together, the launch of the Music Technology Academy in partnership with The Piece Hall, Calderdale College and the Victoria Theatre, a two week masterclass with multi-platinum, Grammy nominee producer and songwriter Erik Griggs with forty pupils from Calderdale and the launch of Calderdale Music's new ensembles strategy which will give even greater musical opportunities to the children and young people in Calderdale.

The five current Music Educations Hubs of West Yorkshire have submitted a bid to Arts Council England to lead the new Music Hubs as a consortium group from September 2024. Bradford Music and Arts Service have applied on behalf of the consortium group to be the Hub Lead Organisation. If successful, each current local authority area will be responsible for one of the Strategic Functions in the new National Plan for Music Education which are partnerships, schools, progression and musical development, inclusion and sustainability.

CALDERDALE MUSIC LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2023

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).

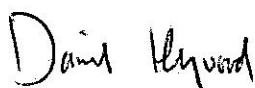
Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

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 22 November 2023 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 2023

I report to the trustees on my examination of the financial statements of Calderdale Music Limited ('the charity') for the year ended 31 March 2023.

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

22/11/2023

CALDERDALE MUSIC LIMITED**COMPANY LIMITED BY GUARANTEE****STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)****YEAR ENDED 31 MARCH 2023**

		Unrestricted funds	2023 Restricted funds	Total funds	2022 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	4,000	346,547	350,547	358,831
Charitable activities	6	419,091	—	419,091	285,491
Total income		<u>423,091</u>	<u>346,547</u>	<u>769,638</u>	<u>644,322</u>
Expenditure					
Expenditure on charitable activities	7,8	401,772	485,473	887,245	695,209
Total expenditure		<u>401,772</u>	<u>485,473</u>	<u>887,245</u>	<u>695,209</u>
Net expenditure		<u>21,319</u>	<u>(138,926)</u>	<u>(117,607)</u>	<u>(50,887)</u>
Transfers between funds		(118,289)	118,289	—	—
Net movement in funds		<u>(96,970)</u>	<u>(20,637)</u>	<u>(117,607)</u>	<u>(50,887)</u>
Reconciliation of funds					
Total funds brought forward		691,271	100,009	791,280	842,167
Total funds carried forward		<u>594,301</u>	<u>79,372</u>	<u>673,673</u>	<u>791,280</u>

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

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

CALDERDALE MUSIC LIMITED
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL POSITION

31 MARCH 2023

		2023	2022
	Note	£	£
FIXED ASSETS			
Tangible fixed assets	14	461,971	357,249
CURRENT ASSETS			
Debtors	15	34,105	19,904
Cash at bank and in hand		222,041	467,653
		<u>256,146</u>	<u>487,557</u>
CREDITORS: amounts falling due within one year	16	44,444	53,526
NET CURRENT ASSETS		<u>211,702</u>	<u>434,031</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>673,673</u>	<u>791,280</u>
NET ASSETS		<u>673,673</u>	<u>791,280</u>
FUNDS OF THE CHARITY			
Restricted funds		79,372	100,009
Unrestricted funds		594,301	691,271
Total charity funds	19	<u>673,673</u>	<u>791,280</u>

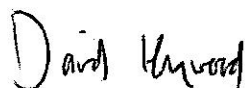
For the year ending 31 March 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 22 November 2023, and are signed on behalf of the board by:



D J HEYWOOD
Trustee

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

CALDERDALE MUSIC LIMITED
COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net expenditure	(117,607)	(50,887)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	91,926	58,540
Government grant income	—	(9,037)
Accrued income	(2,622)	(164)
<i>Changes in:</i>		
Trade and other debtors	(14,201)	1,293
Trade and other creditors	(6,460)	(19,496)
Cash generated from operations	<u>(48,964)</u>	<u>(19,751)</u>
Net cash used in operating activities	<u>(48,964)</u>	<u>(19,751)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(196,648)	(232,633)
Proceeds from sale of tangible assets	—	3,579
Net cash used in investing activities	<u>(196,648)</u>	<u>(229,054)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Government grant income	—	9,037
Net cash from financing activities	<u>—</u>	<u>9,037</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(245,612)	(239,768)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	467,653	707,421
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>222,041</u>	<u>467,653</u>

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

CALDERDALE MUSIC LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

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 2023

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 2023

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:

Lease hold 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 2023

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 2023 £
GRANTS			
Grants receivable	4,000	346,547	350,547
Government grant income	—	—	—
	<u>4,000</u>	<u>346,547</u>	<u>350,547</u>

CALDERDALE MUSIC LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2023

5. DONATIONS AND LEGACIES *(continued)*

	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>

6. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
School teaching income	177,713	177,713	103,481	103,481
Pupil Tuition	216,270	216,270	158,319	158,319
Other income	4,766	4,766	12,358	12,358
Rock School & Virtual School	4,033	4,033	4,540	4,540
Room hire	16,309	16,309	6,793	6,793
	<u>419,091</u>	<u>419,091</u>	<u>285,491</u>	<u>285,491</u>

7. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Pupil tuition	58,344	210,232	268,576
Music centres	6,733	24,258	30,991
School teaching	47,125	169,801	216,926
Support costs	289,570	81,182	370,752
	<u>401,772</u>	<u>485,473</u>	<u>887,245</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Pupil tuition	22,074	110,036	132,110
Music centres	5,455	22,572	28,027
School teaching	36,139	149,536	185,675
Support costs	270,356	79,041	349,397
	<u>334,024</u>	<u>361,185</u>	<u>695,209</u>

CALDERDALE MUSIC LIMITED**COMPANY LIMITED BY GUARANTEE****NOTES TO THE FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 MARCH 2023****8. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE**

	Activities undertaken directly	Support costs	Total funds 2023	Total fund 2022
	£	£	£	£
Pupil tuition	268,576	189,045	457,621	266,267
Music centres	30,991	21,812	52,803	55,476
School teaching	216,926	152,689	369,615	367,109
Governance costs	—	7,206	7,206	6,357
	<u>516,493</u>	<u>370,752</u>	<u>887,245</u>	<u>695,209</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 42% teaching for schools, 6% music centre and 52% pupils.

	Pupil tuition	Music centres	School teaching	Total 2023	Total 2022
	£	£	£	£	£
Staff costs	57,379	6,621	46,345	110,345	130,489
Premises	46,518	5,367	37,572	89,457	42,091
Communications and IT	1,097	127	886	2,110	2,587
General office	47,802	5,516	38,609	91,927	58,540
Human resources	1,120	129	904	2,153	49,055
Finance costs	847	98	684	1,629	2,496
Governance costs	3,747	432	3,026	7,205	17,857
Insurance	5,591	645	4,515	10,751	7,459
Travelling	2,583	298	2,087	4,968	3,332
Postage and stationery	837	97	676	1,610	1,412
Advertising	2,990	345	2,415	5,750	227
Computer and software	6,499	750	5,249	12,498	7,002
Miscellaneous expenses	770	89	622	1,481	7,605
Training costs	(257)	(30)	(207)	(494)	2,847
Subscriptions	6,368	735	5,143	12,246	11,839
Repairs and renewals	8,900	1,027	7,189	17,116	4,560
	<u>192,791</u>	<u>22,246</u>	<u>155,715</u>	<u>370,752</u>	<u>349,398</u>

CALDERDALE MUSIC LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2023

10. NET EXPENDITURE

Net expenditure is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation of tangible fixed assets	<u>91,926</u>	<u>58,540</u>

11. INDEPENDENT EXAMINATION FEES

	2023	2022
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	3,300	3,100
Other financial services	<u>2,546</u>	<u>3,258</u>
	<u>5,846</u>	<u>6,358</u>

12. STAFF COSTS

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

	2023	2022
	£	£
Wages and salaries	526,203	418,160
Social security costs	40,880	36,157
Employer contributions to pension plans	53,194	30,015
Other employee benefits	<u>4,236</u>	<u>4,776</u>
	<u>624,513</u>	<u>489,108</u>

The average head count of employees during the year was 26 (2022: 16). The average number of full-time equivalent employees during the year is analysed as follows:

	2023	2022
	No.	No.
Management and administration	5	6
Music leaders	<u>18</u>	<u>10</u>
	<u>23</u>	<u>16</u>

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

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 £112,585 (2022: £91,109).

CALDERDALE MUSIC LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2023

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 £55,294 (2022 - £52,643) respectively, in respect of those services.

Mrs Brook is employed as a Business and Enterprise Manager and was paid £43,379(2022 - £24,855 for a 7-month period).

Pension contributions were also paid of £13,094 (2022 - £12,466) for Mr Heywood and £817 (2022 - £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 March 2022: £Nil).

14. TANGIBLE FIXED ASSETS

	Short leasehold improvements	Fixtures and fittings	Musical instruments	Computers	Total
	£	£	£	£	£
Cost					
At 1 April 2022	78,720	131,198	263,866	83,902	557,686
Additions	—	194,942	1,706	—	196,648
At 31 March 2023	78,720	326,140	265,572	83,902	754,334
Depreciation					
At 1 April 2022	7,872	62,698	104,650	25,217	200,437
Charge for the year	7,872	46,389	17,589	20,076	91,926
At 31 March 2023	15,744	109,087	122,239	45,293	292,363
Carrying amount					
At 31 March 2023	62,976	217,053	143,333	38,609	461,971
At 31 March 2022	70,848	68,500	159,216	58,685	357,249
Capital commitments					
				2023	2022
				£	£
Contracted for but not provided for in the financial statements				28,577	—

CALDERDALE MUSIC LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2023

15. DEBTORS

	2023	2022
	£	£
Trade debtors	4,534	5,151
Prepayments and accrued income	27,600	14,753
Other debtors	1,971	—
	<u>34,105</u>	<u>19,904</u>

16. CREDITORS: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	36,295	45,524
Accruals and deferred income	4,693	7,315
Social security and other taxes	2	—
Other creditors	3,454	687
	<u>44,444</u>	<u>53,526</u>

17. 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. The outstanding contributions of £nil (2022: £13).

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

CALDERDALE MUSIC LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2023

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.

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 £13,095 (2022 - £12,466).

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.

18. GOVERNMENT GRANTS

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

	2023	2022
	£	£
Recognised in income from donations and legacies:		
Government grants income	—	9,037

CALDERDALE MUSIC LIMITED**COMPANY LIMITED BY GUARANTEE****NOTES TO THE FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 MARCH 2023****19. ANALYSIS OF CHARITABLE FUNDS****Unrestricted funds**

	1 April 2022	Income	Expenditure	Transfers	31 Mar 2023
	£	£	£	£	£
General funds	<u>691,271</u>	<u>423,091</u>	<u>(401,772)</u>	<u>(118,289)</u>	<u>594,301</u>

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

Restricted funds

	1 April 2022	Income	Expenditure	Transfers	31 Mar 2023
	£	£	£	£	£
Fixed asset fund	92,801	—	(13,429)	—	79,372
Arts Council England	7,208	346,547	(472,044)	118,289	—
	<u>100,009</u>	<u>346,547</u>	<u>(485,473)</u>	<u>118,289</u>	<u>79,372</u>

	1 April 2021	Income	Expenditure	Transfers	31 Mar 2022
	£	£	£	£	£
Fixed asset fund	105,889	—	(13,088)	—	92,801
Arts Council England	5,511	349,794	(348,097)	—	7,208
	<u>111,400</u>	<u>349,794</u>	<u>(361,185)</u>	<u>—</u>	<u>100,009</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 2023**

		2023	2022
		£	£
20. ANALYSIS OF NET ASSETS BETWEEN FUNDS			
	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	382,599	79,372	461,971
Current assets	256,146	—	256,146
Creditors less than 1 year	(44,444)	—	(44,444)
Net assets	<u>594,301</u>	<u>79,372</u>	<u>673,673</u>
	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	<u>691,271</u>	<u>100,009</u>	<u>791,280</u>

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2022 £	Cash flows £	At 31 Mar 2023 £
Cash at bank and in hand	467,653	(245,612)	222,041

22. OPERATING LEASE COMMITMENTS

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

	2023 £	2022 £
Not later than 1 year	60,012	29,250
Later than 1 year and not later than 5 years	174,000	234,000
	234,012	263,250

23. RELATED PARTIES

There were no related party transactions during this year.