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# **CALDERDALE MUSIC**

**LIMITED**

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## **ACCOUNTS**

**31 AUGUST 2024**

**Company Registration Number 08597862**

**Charity Number 1154343**

**STREETS<sup>®</sup>**  
**SPENSER WILSON**  
**CHARTERED ACCOUNTANTS**

**CALDERDALE MUSIC LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**FINANCIAL STATEMENTS**  
**PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024**

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# **CALDERDALE MUSIC LIMITED**

## **COMPANY LIMITED BY GUARANTEE**

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

#### **PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024**

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The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the period ended 31 August 2024.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Registered charity name</b>	Calderdale Music Limited
<b>Charity registration number</b>	1154343
<b>Company registration number</b>	08597862
<b>Principal office and registered office</b>	The Old Courthouse Blackwall Halifax West Yorkshire HX1 2DL
<b>The trustees</b>	C Wightman S Wild J Brook P Reynoldson D J Heywood A J Sapey  J Clayton K Rezina M Sharp S R Montgomery  (Served from 26 September 2023 to 3 January 2024)  (Appointed 19 November 2023)
<b>Key Management Personnel</b>	D Heywood J Brook
<b>Independent examiner</b>	E A Short Equitable House 55 Pellon Lane Halifax West Yorkshire HX1 5SP
<b>Bank</b>	Lloyds Bank Plc Commercial Street Halifax HX1 1BB

# **CALDERDALE MUSIC LIMITED**

## **COMPANY LIMITED BY GUARANTEE**

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

**PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024**

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#### **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.

#### **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.

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

# **CALDERDALE MUSIC LIMITED**

## **COMPANY LIMITED BY GUARANTEE**

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

*(continued)*

#### **PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024**

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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 Power of Music to Change Lives: A National Plan for Music Education.'

The 3 aims are to:

- support schools and other education settings to deliver high-quality music education, - support young people to develop their interests and talent further, including into employment - support all children and young people to engage with a range of musical opportunities in and out of school.

The 5 Strategic Functions are:

- Partnerships
- Schools
- Progression and Musical Development
- Inclusion
- Sustainability

#### **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 2023/24.

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 continued trading as Rhythm & Brews although this has now been scaled back to a bean to cup coffee machine with seating.

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.'

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# **CALDERDALE MUSIC LIMITED**

## **COMPANY LIMITED BY GUARANTEE**

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

#### **PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024**

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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 2023/24, Calderdale Music Ltd delivered Whole Class Ensemble and School Curriculum Tuition in 50 schools. This equated to 116 separate classes of Whole Class Ensemble Tuition per week. This compares to delivering Whole Class Ensemble and School Curriculum Tuition to 40 schools in 2022/23 and 132 separate classes. We have increased the number of schools that we are engaging with but due to financial constraints in schools, there is an overall reduction in the number of classes that are being delivered per week.

The number of pupils receiving 1:1 and small group tuition continued to improve throughout 2023/24 with 624 receiving 1:1 and small group tuition. This is an increase from 602 in 2022/23.

Music Education Hubs throughout England continue to struggle with recruiting high-quality candidates and Calderdale Music Ltd continues to experience a higher demand than our current staffing capacity will allow. Whilst a number of very high-quality candidates have been appointed throughout the year, it will remain a priority to continuously recruit and appoint Music Leaders to deliver Whole Class Ensemble and Curriculum Tuition, 1:1/small groups and ensembles.

CPD and training events took place for Music Leaders both in schools and at Calderdale Music Ltd. Through our ongoing School Music Development Plans, school and Music Leader needs were identified and addressed through a number of CPD and training events. There were also two CPD sessions delivered as part of School Centred Initial Teacher Training Programmes.

Throughout 2023/24, a number of high profile performance events took place. These included termly performances for 1:1 and small group pupils, West Yorkshire wide wind and brass band rehearsals and performances and music video productions. Our 2nd Voices Together performance took place at the Victoria Theatre and featured over 1200 pupils over 3 nights. Calderdale Music also piloted work experience opportunities at The Piece Hall on as part of their festival series performances from June to August 2024.

2023-2024 also saw the announcement of the Arts Council Music Hub Investment Programme. Guidance for Applicants was published in June 2023 with a deadline for applications in October 2023. The 5 Local Authority areas within West Yorkshire applied as part of a newly formed consortium group to become the West Yorkshire Music Hub. To meet the Arts Council's requirements, Bradford Music and Arts Service was selected to be the Hub Lead Organisation with each LA Area given strategic oversight for one of the Arts Council's Strategic Functions for Music Hubs. From September 2024, the West Yorkshire Music Hub was launched, and Calderdale Music are the strategic lead for Inclusion.

# **CALDERDALE MUSIC LIMITED**

## **COMPANY LIMITED BY GUARANTEE**

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

*(continued)*

**PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024**

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#### **FINANCIAL REVIEW**

During the period unrestricted expenditure exceeded income by £287,522 (2023 - £21,319 income exceeded expenditure). however, £53,400 has been transferred to restricted funds which was in deficit by £74,065. The total funds of the Charity have decreased from £673,673 to £365,486. Free reserves at 31 August 2024, after accounting for restricted funds and reserves represented by fixed assets were £8,230 (2023 - £211,702). 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 £437,540 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 40% of total income. Pupils tuition accounts for 54% of the total income and a further 6% 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.

#### **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 £440,000. Unrestricted funds are £306,779 including fixed assets of £298,549 leaving free reserves of £8,230. Restricted funds amount to £58,707, 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.

# **CALDERDALE MUSIC LIMITED**

## **COMPANY LIMITED BY GUARANTEE**

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

*(continued)*

#### **PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024**

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#### **PLANS FOR FUTURE PERIODS**

There are a number of plans in place in the coming year. To ensure the continued viability and success of Calderdale Music, it is vital that the legal framework and transition to becoming a formal consortium member of the West Yorkshire Music Hub takes place quickly and efficiently. This will ensure that the grant funding can be disseminated to each consortium partner promptly in line with the Arts Council Funding Agreements and Quarterly Submissions.

Calderdale Music's 5 strategic objectives will be revisited to ensure clear priorities are set for the coming years. There will be a focus on staff recruitment, retention and staff development to ensure Calderdale Music's workforce are highly skilled, experienced and motivated to deliver outstanding provision in all areas of our work.

We will continue to develop our engagement with schools and ensure that there are appropriate opportunities for progression available to all students including 1:1 and small group provision. We will also introduce our new Music Technology Strategy into our provision which also includes new partnerships with The Piece Hall and Roland.

#### **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.



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**CALDERDALE MUSIC LIMITED**

**COMPANY LIMITED BY GUARANTEE**

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

**PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024**

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The trustees' annual report and the strategic report were approved on 29 January 2025 and signed on behalf of the board of trustees by:



**D J HEYWOOD**  
Trustee

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# **CALDERDALE MUSIC LIMITED**

## **COMPANY LIMITED BY GUARANTEE**

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

**PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024**

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I report to the trustees on my examination of the financial statements of Calderdale Music Limited ('the charity') for the period ended 31 August 2024.

#### **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.

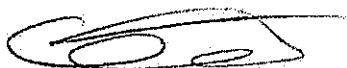
#### **INDEPENDENT EXAMINER'S STATEMENT**

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

29 January 2025

Equitable House  
55 Pellon Lane  
Halifax  
West Yorkshire  
HX1 5SP

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# CALDERDALE MUSIC LIMITED

## COMPANY LIMITED BY GUARANTEE

### STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024

		Period from 1 Apr 23 to 31 Aug 24			Year to 31 Mar 23
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
<b>Income and endowments</b>					
Donations and legacies	5	—	488,492	488,492	350,547
Charitable activities	6	632,125	—	632,125	419,091
Other income	7	(713)	1,649	936	—
<b>Total income</b>		<u>631,412</u>	<u>490,141</u>	<u>1,121,553</u>	<u>769,638</u>
<b>Expenditure</b>					
Expenditure on charitable activities	8,9	<u>865,534</u>	<u>564,206</u>	<u>1,429,740</u>	<u>887,245</u>
<b>Total expenditure</b>		<u>865,534</u>	<u>564,206</u>	<u>1,429,740</u>	<u>887,245</u>
<b>Net expenditure</b>		<u>(234,122)</u>	<u>(74,065)</u>	<u>(308,187)</u>	<u>(117,607)</u>
Transfers between funds		(53,400)	53,400	—	—
<b>Net movement in funds</b>		<u>(287,522)</u>	<u>(20,665)</u>	<u>(308,187)</u>	<u>(117,607)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>594,301</u>	<u>79,372</u>	<u>673,673</u>	<u>791,280</u>
<b>Total funds carried forward</b>		<u>306,779</u>	<u>58,707</u>	<u>365,486</u>	<u>673,673</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 25 form part of these financial statements.

# CALDERDALE MUSIC LIMITED

## COMPANY LIMITED BY GUARANTEE

### STATEMENT OF FINANCIAL POSITION *(continued)*

31 AUGUST 2024

	Note	31 Aug 24		31 Mar 23	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	15		357,256		461,971
<b>CURRENT ASSETS</b>					
Debtors	16	91,704		34,105	
Cash at bank and in hand		154,037		222,041	
		<u>245,741</u>		<u>256,146</u>	
<b>CREDITORS: amounts falling due within one year</b>	17	<u>237,511</u>		<u>44,444</u>	
<b>NET CURRENT ASSETS</b>			<u>8,230</u>		<u>211,702</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>365,486</u>		<u>673,673</u>
<b>NET ASSETS</b>			<u>365,486</u>		<u>673,673</u>
<b>FUNDS OF THE CHARITY</b>					
Restricted funds			58,707		79,372
Unrestricted funds			306,779		594,301
<b>Total charity funds</b>	20		<u>365,486</u>		<u>673,673</u>

For the period ending 31 August 2024 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

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

These financial statements were approved by the board of trustees and authorised for issue on 29 January 2025, and are signed on behalf of the board by:



**D J HEYWOOD**  
Trustee

The notes on pages 12 to 25 form part of these financial statements.

# **CALDERDALE MUSIC LIMITED**

## **COMPANY LIMITED BY GUARANTEE**

### **STATEMENT OF CASH FLOWS**

**PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024**

	<b>31 Aug 24</b>	<b>31 Mar 23</b>
	<b>£</b>	<b>£</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net expenditure	<b>(308,187)</b>	<b>(117,607)</b>
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	<b>154,826</b>	<b>91,926</b>
Accrued expenses/(income)	<b>491</b>	<b>(2,622)</b>
<i>Changes in:</i>		
Trade and other debtors	<b>(57,599)</b>	<b>(14,201)</b>
Trade and other creditors	<b>192,576</b>	<b>(6,460)</b>
Cash generated from operations	<b>(17,893)</b>	<b>(48,964)</b>
Net cash used in operating activities	<b>(17,893)</b>	<b>(48,964)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible assets	<b>(59,770)</b>	<b>(196,648)</b>
Proceeds from sale of tangible assets	<b>9,659</b>	<b>—</b>
Net cash used in investing activities	<b>(50,111)</b>	<b>(196,648)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(68,004)</b>	<b>(245,612)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>222,041</b>	<b>467,653</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>154,037</b>	<b>222,041</b>

**The notes on pages 12 to 25 form part of these financial statements.**

# **CALDERDALE MUSIC LIMITED**

## **COMPANY LIMITED BY GUARANTEE**

### **NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024**

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#### **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)*

#### **PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024**

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### **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)*

#### **PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024**

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### **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.

#### **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.



# CALDERDALE MUSIC LIMITED

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

#### PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024

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#### 3. ACCOUNTING POLICIES *(continued)*

##### 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 2024 £
<b>GRANTS</b>			
Grants receivable	—	488,492	<b>488,492</b>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
<b>GRANTS</b>			
Grants receivable	4,000	346,547	<b>350,547</b>

# CALDERDALE MUSIC LIMITED

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

#### PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024

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#### 6. CHARITABLE ACTIVITIES

	Unrestricted Funds	Total Funds 2024	Unrestricted Funds	Total Funds 2023
	£	£	£	£
School teaching income	220,717	<b>220,717</b>	177,713	177,713
Pupil Tuition	337,072	<b>337,072</b>	216,270	216,270
Event income	20,953	<b>20,953</b>	1,417	1,417
Other income	4,183	<b>4,183</b>	3,349	3,349
Rock School & Virtual School	3,302	<b>3,302</b>	4,033	4,033
Room hire	45,898	<b>45,898</b>	16,309	16,309
	<u>632,125</u>	<u><b>632,125</b></u>	<u>419,091</u>	<u>419,091</u>

#### 7. OTHER INCOME

	Unrestricted Funds	Restricted Funds	Total Funds 2024
	£	£	£
Gain on disposal of tangible fixed assets held for charity's own use	(713)	1,649	<u>936</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£	£	£
Gain on disposal of tangible fixed assets held for charity's own use	<u>—</u>	<u>—</u>	<u>—</u>

# CALDERDALE MUSIC LIMITED

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

#### PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024

#### 8. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Pupil tuition	236,370	146,849	383,219
Music centres	52,128	32,387	84,515
School teaching	262,733	163,229	425,962
Support costs	314,303	221,741	536,044
	<u>865,534</u>	<u>564,206</u>	<u>1,429,740</u>

	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>

#### 9. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly £	Support costs £	Total funds 2024 £	Total fund 2023 £
Pupil tuition	383,219	217,685	600,904	457,621
Music centres	84,515	51,076	135,591	52,803
School teaching	425,962	257,440	683,402	369,615
Governance costs	—	9,844	9,844	7,206
	<u>893,696</u>	<u>536,044</u>	<u>1,429,740</u>	<u>887,245</u>

#### 10. 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 48% teaching for schools (2023 - 42%), 9% music centre (2023 - 6%) and 43% pupils (2023 - 52%).

# CALDERDALE MUSIC LIMITED

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

#### PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024

#### 10. ANALYSIS OF SUPPORT COSTS *(continued)*

	Pupil tuition	Music centres	School teaching	Total 2024	Total 2023
	£	£	£	£	£
Staff costs	55,575	12,261	61,771	129,607	110,345
Premises	68,115	15,021	75,717	158,853	89,457
Communications and IT	989	218	1,098	2,305	2,110
Depreciation	66,390	14,642	73,794	154,826	91,927
Human resources	3,881	856	4,311	9,048	2,153
Finance costs	772	170	857	1,799	1,629
Governance costs	4,221	931	4,692	9,844	7,205
Insurance	8,559	1,887	9,514	19,960	10,751
Travelling	2,347	517	2,609	5,473	4,968
Bad debts	104	23	116	243	—
Postage and stationery	1,111	245	1,233	2,589	1,610
Advertising	243	54	271	568	5,750
Computer and software	3,330	734	3,701	7,765	12,498
Miscellaneous expenses	1,096	242	2,017	3,355	1,481
Training costs	1,231	271	1,368	2,870	(494)
Subscriptions	10,033	2,213	11,151	23,397	12,246
Repairs and renewals	1,519	335	1,688	3,542	17,115
	<u>229,516</u>	<u>50,620</u>	<u>255,908</u>	<u>536,044</u>	<u>370,751</u>

#### 11. NET EXPENDITURE

Net expenditure is stated after charging/(crediting):

	31 Aug 24	31 Mar 23
	£	£
Depreciation of tangible fixed assets	154,826	91,926
Gains on disposal of tangible fixed assets	(936)	—
Operating lease rentals	<u>3,895</u>	<u>—</u>

#### 12. INDEPENDENT EXAMINATION FEES

	Period from 1 Apr 23 to 31 Aug 24	Year to 31 Mar 23
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	4,235	3,300
Other financial services	<u>3,810</u>	<u>2,546</u>
	<u>8,045</u>	<u>5,846</u>

# CALDERDALE MUSIC LIMITED

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

#### PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024

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#### 13. STAFF COSTS

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

	<b>Period from 1 Apr 23 to 31 Aug 24 £</b>	<b>Year to 31 Mar 23 £</b>
Wages and salaries	878,397	526,203
Social security costs	62,261	40,880
Employer contributions to pension plans	69,569	53,194
Bought in tutors	500	4,236
	<u>1,010,727</u>	<u>624,513</u>

The average head count of employees during the period was 29 (2023: 26). The average number of full-time equivalent employees during the period is analysed as follows:

	<b>31 Aug 24 No.</b>	<b>31 Mar 23 No.</b>
Management and administration	6	5
Music leaders	13	18
	<u>19</u>	<u>23</u>

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

	<b>Period from 1 Apr 23 to 31 Aug 24 No.</b>	<b>Year to 31 Mar 23 No.</b>
£60,000 to £69,999	—	1
£90,000 to £99,999	1	—
£110,000 to £119,999	1	—
	<u>2</u>	<u>1</u>

#### Key Management Personnel

The key management personnel of the Charity comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Charity during the 17-month period was £204,284 (2023 - year £112,585).

# CALDERDALE MUSIC LIMITED

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

#### PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024

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#### 14. 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 £88,512 (2023 - £55,294) for a 17 month period respectively, in respect of those services.

Mrs Brook is employed as a Business and Enterprise Manager and was paid £75,983 for a 17-month period (2023 - £43,379).

Pension contributions for the 17-month period were also paid of £22,263, (2023 - £13,094) for Mr Heywood and £17,526 (2023 - £817) 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 2023: £Nil).

#### 15. TANGIBLE FIXED ASSETS

	Short leasehold improvements	Fixtures and fittings	Musical instruments	Computers	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2023	78,720	326,140	265,572	83,902	754,334
Additions	—	46,511	11,502	1,757	59,770
Disposals	—	(3,481)	(12,077)	—	(15,558)
<b>At 31 August 2024</b>	<u>78,720</u>	<u>369,170</u>	<u>264,997</u>	<u>85,659</u>	<u>798,546</u>
<b>Depreciation</b>					
At 1 April 2023	15,744	109,087	122,239	45,293	292,363
Charge for the period	11,153	85,489	30,428	27,756	154,826
Disposals	—	(870)	(5,029)	—	(5,899)
<b>At 31 August 2024</b>	<u>26,897</u>	<u>193,706</u>	<u>147,638</u>	<u>73,049</u>	<u>441,290</u>
<b>Carrying amount</b>					
<b>At 31 August 2024</b>	<u>51,823</u>	<u>175,464</u>	<u>117,359</u>	<u>12,610</u>	<u>357,256</u>
At 31 March 2023	<u>62,976</u>	<u>217,053</u>	<u>143,333</u>	<u>38,609</u>	<u>461,971</u>

# CALDERDALE MUSIC LIMITED

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

#### PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024

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#### 15. TANGIBLE FIXED ASSETS *(continued)*

##### Capital commitments

	31 Aug 24	31 Mar 23
	£	£
Contracted for but not provided for in the financial statements	<u>—</u>	<u>28,577</u>

#### 16. DEBTORS

	31 Aug 24	31 Mar 23
	£	£
Trade debtors	67,749	4,534
Prepayments and accrued income	23,955	27,600
Other debtors	<u>—</u>	<u>1,971</u>
	<u>91,704</u>	<u>34,105</u>

#### 17. CREDITORS: amounts falling due within one year

	31 Aug 24	31 Mar 23
	£	£
Trade creditors	35,581	36,295
Accruals and deferred income	201,909	4,693
Social security and other taxes	<u>—</u>	<u>2</u>
Other creditors	21	3,454
	<u>237,511</u>	<u>44,444</u>

#### 18. DEFERRED INCOME

	31 Aug 24	31 Mar 23
	£	£
Amount deferred in period	<u>196,725</u>	<u>—</u>

Deferred income includes £29,402 pupil tuition fees for 2025/26 (2024 - £29,402 for a 17 month period) school tuition £166,513 for 2025/26 (2024 - £166,513 for a 17 month period), £2,352 (2024 - £810 for a 17 month period) for room hire received in advance and £810 (2024 - £nil for a 17 month period) of rental income received in advance.

# **CALDERDALE MUSIC LIMITED**

## **COMPANY LIMITED BY GUARANTEE**

### **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

#### **PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024**

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#### **19. 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 £31(2021: £17).

##### **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 17-month period amounted to £39,363 (2023 - £13,095).



# CALDERDALE MUSIC LIMITED

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

#### PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024

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##### 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.

#### 20. ANALYSIS OF CHARITABLE FUNDS

##### Unrestricted funds

	1 April 2023	Income	Expenditure	Transfers	31 Aug 2024
	£	£	£	£	£
General funds	<u>594,301</u>	<u>631,412</u>	<u>(865,534)</u>	<u>(53,400)</u>	<u>306,779</u>

	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>

# CALDERDALE MUSIC LIMITED

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

#### PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024

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#### 20. ANALYSIS OF CHARITABLE FUNDS *(continued)*

##### Restricted funds

	1 April 2023	Income	Expenditure	Transfers	31 Aug 2024
	£	£	£	£	£
Fixed asset fund	79,372	1,649	(17,821)	(4,493)	58,707
Arts Council England	—	488,492	(546,385)	57,893	—
	<u>79,372</u>	<u>490,141</u>	<u>(564,206)</u>	<u>53,400</u>	<u>58,707</u>

	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>

The Restricted fixed asset fund represents musical instruments and fixtures and fittings 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

### DETAILED STATEMENT OF FINANCIAL ACTIVITIES *(continued)*

PERIOD FROM 1 APRIL 2023 TO 31 AUGUST 2024

#### 21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Tangible fixed assets	298,549	58,707	357,256
Current assets	245,741	—	245,741
Creditors less than 1 year	(237,511)	—	(237,511)
<b>Net assets</b>	<b>306,779</b>	<b>58,707</b>	<b>365,486</b>

	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)
<b>Net assets</b>	<b>594,301</b>	<b>79,372</b>	<b>673,673</b>

#### 22. ANALYSIS OF CHANGES IN NET DEBT

	1 Apr 2023 £	Cash flows £	31 Aug 2024 £
Cash at bank and in hand	222,041	(68,004)	154,037

#### 23. OPERATING LEASE COMMITMENTS

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

	31 Aug 24 £	31 Mar 23 £
Not later than 1 year	66,500	60,012
Later than 1 year and not later than 5 years	134,997	174,000
	<b>201,497</b>	<b>234,012</b>

#### 24. RELATED PARTIES

There were no related party transactions during this year.