

# HOUNSLOW MUSIC SERVICE

England & Wales · Charity number 1165778

## Details

|                |                                                         |
|----------------|---------------------------------------------------------|
| Other names    | HMS                                                     |
| Status         | Registered                                              |
| Legal form     | Charitable company                                      |
| Company number | <a href="#">09947772</a>                                |
| Registered     | 2016-02-26                                              |
| Register       | <a href="#">View on the Charity Commission register</a> |

## Contact

|         |                                                                          |
|---------|--------------------------------------------------------------------------|
| Address | 64a Pears Road<br>Hounslow<br>TW3 1SR                                    |
| Phone   | 0203 325 3142                                                            |
| Email   | <a href="mailto:info@hounslowmusic.org.uk">info@hounslowmusic.org.uk</a> |
| Website | <a href="http://www.hounslowmusic.org.uk">www.hounslowmusic.org.uk</a>   |

## Activities

**Objects:** THE OBJECTS OF HOUNSLOW MUSIC SERVICE ("THE CHARITY") ARE, FOR THE BENEFIT OF THE PUBLIC:1.1 TO ADVANCE EDUCATION PARTICULARLY (BUT NOT EXCLUSIVELY) IN RELATION TO MUSIC;1.2 TO ADVANCE THE ARTS AND CULTURE, PARTICULARLY (BUT NOT EXCLUSIVELY), BY PROMOTING AND FACILITATING ACCESS TO, PERFORMANCES OF, AND PARTICIPATION IN PERFORMANCES OF, MUSIC; 1.3 TO PROVIDE FOR THE RECREATION OF MEMBERS OF THE PUBLIC BY PROVIDING EQUIPMENT, FACILITIES AND SERVICES TO THEM IN THE INTERESTS OF SOCIAL WELFARE WITH THE OBJECT OF IMPROVING THEIR CONDITIONS OF LIFE;1.4 THE THERAPEUTIC USE OF MUSIC AND ART FOR THE PROTECTION AND ADVANCEMENT OF GOOD HEALTH INCLUDING (BUT NOT LIMITED TO) THE RELIEF OF PHYSICAL AND MENTAL ILLNESS AND THE ALLEVIATION OF DEVELOPMENT, EMOTIONAL, SOCIAL AND BEHAVIOURAL DIFFICULTIES.

**Activities:** Hounslow Music Service exists to provide music education to children and young people who live in or attend school in and around the London Borough of Hounslow

## Classification

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- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Arts/culture/heritage/science, Recreation
- **Who:** Children/young People, Elderly/old People, People With Disabilities, The General Public/mankind

## Geography

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- Croydon
- Hounslow
- Kingston Upon Thames
- Merton
- Richmond Upon Thames
- Sutton

## Finances

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| Period end | Income     | Expenditure | Assets   | Employees |
|------------|------------|-------------|----------|-----------|
| 2025-03-31 | £1,461,741 | £1,455,822  | £461,815 | 64        |
| 2024-03-31 | £1,424,884 | £1,376,187  | £455,896 | 69        |
| 2023-03-31 | £1,416,854 | £1,394,079  | £407,199 | 78        |
| 2022-03-31 | £1,295,734 | £1,267,856  | £384,424 | 69        |
| 2021-03-31 | £1,142,251 | £1,074,556  | £356,546 | 66        |

## Trustees

| Name                            | Role | Appointed  |
|---------------------------------|------|------------|
| Christine Gillian Haslam        |      | 2026-06-05 |
| Christopher Hill                |      | 2016-05-10 |
| Clare Paddi Salters             |      | 2019-10-02 |
| Daniel Baruch Meyer             |      | 2023-10-09 |
| David Frederick Swiffen Rogers  |      | 2022-04-01 |
| Dr Prabhjot Kaur Basra          |      | 2020-09-21 |
| OONAGH MARY BARRY               |      | 2016-01-19 |
| Samia Chaudhary                 |      | 2024-09-26 |
| Thomas George Francis Sylvester |      | 2020-08-10 |

**HOUNSLOW MUSIC SERVICE**

England & Wales - Charity number 1165778

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# Accounts

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Charity registration number 1165778 (England and Wales)

Company registration number 09947772

## **HOUNSLOW MUSIC SERVICE**

**Annual report and financial statements**

**For the year ended 31 March 2025**

# HOUNSLOW MUSIC SERVICE

## LEGAL AND ADMINISTRATIVE INFORMATION

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|                   |                                                                                                                                                      |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Board Of Trustees | O M Barry<br>C W Hill<br>C P Salters<br>Dr P K Basra<br>T G F Sylvester<br>D F S Rogers<br>D B Meyer<br>S Chaudhary<br>(Appointed 26 September 2024) |
| Charity number    | 1165778                                                                                                                                              |
| Company number    | 09947772                                                                                                                                             |
| Principal address | 64A Pears Road<br>Hounslow<br>London<br>TW3 1SR                                                                                                      |
| Registered office | 64A Pears Road<br>Hounslow<br>London<br>TW3 1SR                                                                                                      |
| Auditor           | WSM Advisors Limited<br>Connect House<br>133-137 Alexandra Road<br>London<br>SW19 7JY                                                                |
| Bankers           | Barclays Bank plc                                                                                                                                    |

# HOUNSLOW MUSIC SERVICE

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# HOUNSLOW MUSIC SERVICE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

For the year ended 31 March 2025

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The trustees, who are also the directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2025. The trustees have adopted the provisions of Accounting and Reporting by Charities: 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) (effective 1 January 2015).

The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the charitable company's memorandum and articles, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (as amended for accounting periods commencing from 1 January 2016).

### Our Purpose and Activities

The company's charitable objects are set out in its Memorandum and Articles of Association. The principal objective of the company is to provide the highest quality musical opportunities for children, young people and others in and around the London Borough of Hounslow.

Our mission is to encourage participation, enjoyment and achievement by providing the highest quality learning opportunities in music and the performing arts.

### HOUNSLOW MUSIC SERVICE (HMS) ACHIEVEMENTS 2024/25

#### The Year in Numbers

Hounslow schools where HMS delivered the National Plan for Music Education (NPME)

|                                     |       |
|-------------------------------------|-------|
| Primary Schools                     | 100%  |
| Secondary Schools                   | 84%   |
| Special Schools                     | 100%  |
| Schools where HMS supported singing | 100%  |
| Number of pupils in First Access    | 4,860 |
| Number of pupils continuing         | 1,672 |
| Total pupils taught weekly by HMS   | 6,534 |

#### First Access to music

Although the new NPME no longer has core and extension roles, HMS continues to deliver whole class instrumental programmes in schools. Most schools who had had woodwind, brass or string instrumental programmes pre-pandemic have returned to these. However, the declining school population – coming after almost a decade of increased numbers in schools – is creating significant budget pressures for schools. Whilst most schools have chosen to continue with whole class programmes, we are aware that schools' ability to pay for this programme is at risk.

The TuneIN programme was devised in response to primary schools asking us to deliver the music curriculum either alongside or instead of their class teachers and continues to be very popular. Children learn to play instruments as part of this programme, but the instruments are less complex, and the focus is the development of musical skills rather than technical skills. These musical skills create a foundation on which children can progress to learning a more complex musical instrument when they feel ready. This is a growth area for us although ensuring we have the right teachers to do this work is not easy. Many teachers just want to teach 1:1 lessons and are less interested in whole class teaching because it is a lot harder.

#### Continuation beyond first access

Until 2020, continuation was an identified strength of HMS with numbers continuing beyond first access significantly above national averages. This dropped significantly across 2021/22. The lack of in person teaching, performances within schools and extra projects severely affected uptake. Although the number of children wanting to continue has risen, the cost-of-living crisis and the squeeze on school funding has affected uptake. The number of children who want to continue is rising, but their ability to pay is a barrier. This is a key area where more funding is needed to support hard pressed families.

# **HOUNSLOW MUSIC SERVICE**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

**For the year ended 31 March 2025**

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### **Music Centres, Schools and Academy**

Saturday Music Academy numbers have stabilised during 2024/25, with several new teachers joining enabling us to respond to waiting lists. Recruiting and retaining teachers continues to be a challenge. A few secondary schools are now running compulsory Saturday programmes for GCSE pupils, so we lose some pupils through this.

Ensemble membership is again under pressure due to extended school hours. The number of children continuing with instrumental tuition after whole class programmes has a direct impact on ensemble membership, so there is a new strategy to encourage more children to continue to play beyond first access. The challenge of encouraging more children to join ensembles is now common across many parts of London. The impact of schools extending the school day and more children having tutoring to prepare for applications to grammar schools, cannot be overstated.

### **Examinations**

We ran two examination centres in 2024/25, in February half term and in July, for both Trinity and The Associated Board of the Royal Schools of Music (ABRSM) examinations. A total of 154 pupils took examinations through HMS during the year. ABRSM has continued to provide a bursary scheme to make examinations more accessible for families for whom finance may have been a barrier. For many Hounslow pupils this has been hugely helpful.

### **Support for Schools**

Hounslow Music Service has continued to lead primary music network meetings. Although these have remained online, schools have been extremely positive in their feedback about the training and attend in large numbers. HMS does not charge for these meetings although schools pay into the Hounslow Education Partnership which provides the secretariat function. HMS ran another Primary schools Music Education Conference at the Musical Museum in Brentford. It was well attended, and the feedback was excellent.

HMS also pays for all Primary and Special schools in the borough to access Charanga resources free of charge, and broker training for schools to use these.

HMS also attends and supports the Secondary Network meetings, which are run by the Head of Music at Gumley House School, which hosts most meetings. A strong relationship with the University of West London has been developed and they support our local Battle of the Bands at their premises.

### **Instrument Hire Scheme**

During 2024/25, HMS placed 4285 instruments in primary schools to provide whole class lessons for children at no charge. A further 210 instruments were placed in secondary schools to support music leaders there to deliver their curriculum. In addition to these we placed buckets and spoons, boom whackers, xylophones and djembes in schools to support the TuneIN programme.

The annual programme of mouthpiece, slide and instrument cleaning and repair resumed during the year alongside replacement of asset tags that had fallen off.

During 2024/25 we took the decision to use most of the DfE Instrument Grant to build up instrumental stocks in schools to support them to deliver the music curriculum. Instruments were not ordered during the financial year, but HMS conducted a comprehensive survey of school needs for purchases in 2025/26.

### **End of term and chamber concerts**

During 2024/25 there were six chamber concerts held at the Music Centre. These are extremely popular events and provide pupils at every level the opportunity to play in a comfortable space. End of term concerts were well received and attended.

In Summer 2024 we returned to Dean's Yard for the annual concert band performance as part of the Westminster Abbey Cathedral School summer fete. This is a popular concert with parents and pupils who enjoy performing in such an iconic space in central London. Unfortunately, it was a very wet day, and the fete had to be abandoned early.

# **HOUNSLOW MUSIC SERVICE**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

**For the year ended 31 March 2025**

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### **Bursaries and scholarships**

The Saturday Music Academy flagship programme is the Special Award, where a bespoke programme of activities is created to provide keen musicians with a holistic music education. Young musicians who show a track record of commitment and progress on an instrument are eligible to apply, regardless of age. Crucially the programme is heavily subsidised to make it affordable and ensure that finance is not a barrier to progress in the borough. Pupils in receipt of the Special Award sing in a choir, attend theory, have a lesson and are members of ensembles. The HMS subsidy is almost £18,000 per annum.

London Music Fund (LMF) continues to provide funding for scholars and awarded scholarships to a new cohort in 2024. In Hounslow, every LMF scholar is joined by another child to share their lesson, and this is known as our Shadow Scholar scheme. We have found that children who share their lessons in the early stages of learning are more likely to continue to play their instrument, particularly if the paired scholars are from the same school. Shadow Scholars are chosen from those students who have finished a year of First Access/TuneIn within their primary school and are keen to continue. These children share an instrumental lesson with the LMF scholars and avail of the wider Special Award programme. HMS also tops up the LMF scholarship. The cost to HMS of these two programmes is just under £19,000 per annum.

HMS has also created a bursary fund to support these programmes and help as many children as possible to reach their musical potential. Children from these programmes have gone on to study music at some of the country's most prestigious institutions, including the Yehudi Menuhin and Purcell specialist music schools, London Conservatoires and the music departments of the Universities of Oxford and Cambridge.

### **Public benefit**

The Trustees confirm that, in determining the activities undertaken by HMS, they have had due regard to the public benefit requirement, and the guidance published by the Charity Commission. We have reviewed all our programmes against the public benefit requirement and confirmed that all activities we invest in deliver public benefit, in the form of advancing education and the arts or increasing access to music-making from under-represented groups within the Borough of Hounslow. Any private benefit - for example for individuals benefiting from our bursary scheme - is incidental to the wider public benefit of removing barriers to accessing music. All new projects and programmes will be carefully reviewed against the public benefit requirement and guidance. The Trustees are satisfied that the public benefit requirement is met in respect of all Hounslow Music Service's activity.

### **SOUTHWEST LONDON MUSIC**

Effective from 2023/24, the Music Hub Programme was reorganised to create 43 structures in place of the 117 that previously existed. The DfE announced that the 7 Southwest London Music Services, comprising Croydon Music and Arts, Hounslow Music Service, Kingston Music Service, Merton Music Foundation, Richmond Music Trust, Sutton Music Trust and Wandsworth Music, would be required to report to ACE as a combined area. HMS, with the music services in the other six Southwest London local authorities, formed a new company, Southwest London Music, to coordinate centralised reporting to ACE and to distribute funding in line with DfE's published formula for funding at local authority level. All music education activity is delivered by the individual music services in each of the seven local authority, and all traded income is on the account of each organisation.

# HOUNSLOW MUSIC SERVICE

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

For the year ended 31 March 2025

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### Financial review

Taking into account income and expenditure, the charity realised an operational surplus of £5,919 for the year. The net movement for the year was an increase of £5,919 in total charity's funds. Note that the surplus excluding use of the Hounslow Bursary reserve was £13,014.

Teaching within and outside school has recovered well and trustees were pleased to generate a surplus of £5,919. During the prior period, the Trustees created a new bursary fund to support more children and young people, for whom finance could be a barrier, to continue with their music making, and this surplus will be used to support this.

Total fund balances as at 31 March 2025 were £461,815, of which £75,900 related to the revaluation reserve, £2,905 to the Hounslow Bursary reserve and the general unrestricted funds stood at £383,010.

Total income for the year from grant monies and tuition fees was £1,461,741 increasing from £1,424,884 last year. Total expenditure was £1,455,822, increasing from £1,376,187 last year, of which £22,578 (2024: £14,562) related to the governance of the charitable company.

The first allocation of the Department for Education Instrument Grant was received in March 2025, however there has been no expenditure against this during this financial year, resulting in a greater deferred income balance relative to the prior year (Note 15). This allocation will be spent in 2025/26 to purchase instruments to support schools to deliver the music curriculum.

### Investment Policy

During 2024/25 HMS took advantage of the higher interest rates available in notice and no notice savings accounts and opened two new business savings accounts. We continue to monitor cashflows to ensure that we are using our reserves where possible to generate additional revenue through using bank accounts which attract a better rate of interest.

### Teachers' Pension Scheme (TPS)

As a result of the DfE announcement that they would no longer provide a grant to Independent Music Services to support the increased costs of the TPS from September 2024, HMS left the scheme July 2024. In mid-August DfE changed their position on no longer providing a grant to independent music services; however, for most services this was too late to re-enter the TPS. All staff were moved to the NEST scheme which is a defined contribution scheme rather than a defined benefit scheme.

### Risk management

The Trustees have prepared a Risk Register, which is regularly reviewed and was substantially refined in 2023 to make it a more effective document that can inform decision-making on a regular basis.

The main risks that Trustees have identified are:

1. Government policy and strategic uncertainty about future funding for music education delivery, including structural changes.
2. Reduction (in real or cash terms) of core grant.

The key mitigations HMS has implemented to protect the organisation are:

1. Retain membership of appropriate membership bodies to support the case for public funding
2. Effective reserves policy in place and reviewed annually. Monitor and assess performance and quality of service; identify major dependencies; review market and service delivery; ensure regular contact with funders; monitor public awareness and profile of charity; diversify income sources to reduce reliance on any one source

# HOUNSLOW MUSIC SERVICE

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

For the year ended 31 March 2025

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### Going concern assessment

The Trustees are satisfied that the financial statements of Hounslow Music Service should be prepared on a going concern basis. Once again HMS generated a surplus during the year ended 31 March 2025, maintaining reserves at over £400k at the balance sheet date. The level of reserves and cashflows should continue to be maintained in the coming years.

### Governance

Hounslow Music Service is a charitable company limited by guarantee, incorporated on 12 January 2016 and registered as a charity on 26 February 2016. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. None of the trustees have any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The trustees, who are also directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

|                    |                               |
|--------------------|-------------------------------|
| Oonagh Barry       |                               |
| Prabhjot Basra     |                               |
| Christopher Hill   |                               |
| Daniel Meyer       |                               |
| David Rogers       |                               |
| Clare Salters      |                               |
| Thomas Sylvester   |                               |
| Samia Chaudhary    | (appointed 26 September 2024) |
| Lily Bath          | (resigned 26 September 2024)  |
| Charles Holderness | (resigned 27 January 2025)    |
| Steven Shotton     | (resigned 27 January 2025)    |

### Trustee induction and training

New trustee induction includes briefing them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes and recent financial performance of the charity. During the induction process, they meet key employees and the other trustees. New trustees are also given relevant documentation including recent important documentation on music education, management financial reports, meeting minutes and copies of the charity's annual Reports and financial statements.

### Organisation

The Board of Trustees meets quarterly to manage the affairs of the charity. The Board consisted of ten directors, from a variety of professional backgrounds, who are responsible for the overall strategic direction and policy of the charity. The Chief Executive, manages the day-to-day operations of the charity, and as delegated authority, within terms of delegation approved by the trustee body, for operational matters including finance, employment and artistic related activity.

The Finance Risk and Audit Committee (FRAC) also meets quarterly to scrutinise finance and risk and to consider the findings of our annual audit. The Chair of the FRAC provides a report at Board meetings about their discussions.

### Health and safety, child protection and safeguarding

The health and safety of staff and students together with child protection are primary concerns to the Trustees. Music Centre managers and other key staff undertake both first aid and fire marshal training and all staff are made aware of their own duties and responsibilities for health and safety issues.

Hounslow Music Service adopts the current Child Protection requirements as set out by the Home Office. Prior to the commencement of work enhanced DBS checks take place for all new staff together with at least two satisfactory references and interview, in line with Safer Recruitment guidelines in Keeping Children Safe in Education (KCSIE). All staff are on the DBS update service meaning they are checked every year.

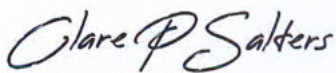
# HOUNSLOW MUSIC SERVICE

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

For the year ended 31 March 2025

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The Trustees' report was approved by the Board Of Trustees on 18 December 2025 and signed on its behalf by:



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Clare Paddi Salters

Chair of Trustees

# **HOUNSLOW MUSIC SERVICE**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**For the year ended 31 March 2025**

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The trustees (who are also directors of Hounslow Music Service for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charity SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

# HOUNSLOW MUSIC SERVICE

## INDEPENDENT AUDITOR'S REPORT

### TO THE BOARD OF TRUSTEES OF HOUNSLOW MUSIC SERVICE

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#### Opinion

We have audited the financial statements of Hounslow Music Service (the 'charitable company') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board Of Trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Board Of Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

# **HOUNSLOW MUSIC SERVICE**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE BOARD OF TRUSTEES OF HOUNSLOW MUSIC SERVICE**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Board Of Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

#### **Responsibilities of Board Of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Board Of Trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board Of Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board Of Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board Of Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 476 of the Companies Act 2006 and section 144 of the Charities Act 2011 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and posting inappropriate journal entries to manipulate the fair value of the company's assets.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation where relevant, review of Directors meeting minutes, enquiries with management as to the risks of non-compliance and any instances thereof, challenging assumptions and judgments made by management, and identifying and testing journal entries, in particular any journal entries posted with unusual account combinations. Our audit procedures also focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less like we are to become aware of it.

# HOUNSLOW MUSIC SERVICE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE BOARD OF TRUSTEES OF HOUNSLOW MUSIC SERVICE

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The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*WSM Advisors Limited*

Michael Spink ACA (Senior Statutory Auditor)  
for and on behalf of WSM Advisors Limited

19 December 2025

Chartered Accountants  
Statutory Auditor

Connect House  
133-137 Alexandra Road  
Wimbledon  
London  
SW19 7JY

# HOUNSLOW MUSIC SERVICE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2025

|                                                           | Notes | Unrestricted<br>funds<br>2025<br>£ | Restricted<br>funds<br>2025<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|-----------------------------------------------------------|-------|------------------------------------|----------------------------------|--------------------|--------------------|
| <b><u>Income and endowments from:</u></b>                 |       |                                    |                                  |                    |                    |
| Donations and legacies                                    | 3     | 32,808                             | 407,077                          | 439,885            | 404,995            |
| Charitable activities                                     | 5     | 1,018,964                          | -                                | 1,018,964          | 1,019,731          |
| Investments                                               | 4     | 2,892                              | -                                | 2,892              | 55                 |
| Other income                                              | 6     | -                                  | -                                | -                  | 103                |
| <b>Total income</b>                                       |       | <b>1,054,664</b>                   | <b>407,077</b>                   | <b>1,461,741</b>   | <b>1,424,884</b>   |
| <b><u>Expenditure on:</u></b>                             |       |                                    |                                  |                    |                    |
| Charitable activities                                     | 7     | 1,455,822                          | -                                | 1,455,822          | 1,376,187          |
| <b>Net (expense)/income resources before transfers</b>    |       | <b>(401,158)</b>                   | <b>407,077</b>                   | <b>5,919</b>       | <b>48,697</b>      |
| Gross transfers between funds                             |       | 407,077                            | (407,077)                        | -                  | -                  |
| <b>Net income for the year/<br/>Net movement in funds</b> |       | <b>5,919</b>                       | <b>-</b>                         | <b>5,919</b>       | <b>48,697</b>      |
| <b><u>Arising from</u></b>                                |       |                                    |                                  |                    |                    |
| Net incoming resources excluding bursary reserve drawdown |       | 13,014                             | -                                | 13,014             | 48,697             |
| Bursary reserve drawdown                                  |       | (7,095)                            | -                                | (7,095)            | -                  |
| Fund balances at 1 April 2024                             |       | 455,896                            | -                                | 455,896            | 407,199            |
| <b>Fund balances at 31 March 2025</b>                     |       | <b>461,815</b>                     | <b>-</b>                         | <b>461,815</b>     | <b>455,896</b>     |

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

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# HOUNSLOW MUSIC SERVICE

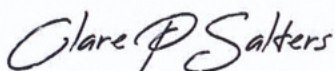
## BALANCE SHEET

As at 31 March 2025

|                                                       | Notes | 2025<br>£ | £       | 2024<br>£ | £       |
|-------------------------------------------------------|-------|-----------|---------|-----------|---------|
| <b>Fixed assets</b>                                   |       |           |         |           |         |
| Tangible assets                                       | 12    |           | 123,249 |           | 142,099 |
| <b>Current assets</b>                                 |       |           |         |           |         |
| Debtors                                               | 13    | 27,230    |         | 57,198    |         |
| Cash at bank and in hand                              |       | 426,828   |         | 299,188   |         |
|                                                       |       | 454,058   |         | 356,386   |         |
| <b>Creditors: amounts falling due within one year</b> | 14    | (115,492) |         | (42,589)  |         |
| Net current assets                                    |       |           | 338,566 |           | 313,797 |
| <b>Total assets less current liabilities</b>          |       |           | 461,815 |           | 455,896 |
| <b>Income funds</b>                                   |       |           |         |           |         |
| <u>Unrestricted funds</u>                             |       |           |         |           |         |
| Designated funds                                      | 17    | 78,805    |         | 92,045    |         |
| General unrestricted funds                            |       | 383,010   |         | 363,851   |         |
|                                                       |       |           | 461,815 |           | 455,896 |
| <b>Total charity funds</b>                            |       |           | 461,815 |           | 455,896 |

18 December 2025

The accounts were approved by the Board Of Trustees on .....



C P Salters  
Chair of Trustees

Company Registration No. 09947772

# HOUNSLOW MUSIC SERVICE

## STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

|                                                             | Notes | 2025<br>£ | £       | 2024<br>£ | £        |
|-------------------------------------------------------------|-------|-----------|---------|-----------|----------|
| <b>Cash flows from operating activities</b>                 |       |           |         |           |          |
| Cash generated from operations                              | 23    |           | 124,748 |           | 18,581   |
| <b>Investing activities</b>                                 |       |           |         |           |          |
| Interest received                                           |       | 2,892     |         | 55        |          |
| <b>Net cash generated from investing activities</b>         |       |           | 2,892   |           | 55       |
| Repayment of borrowings                                     |       | -         |         | (40,440)  |          |
| <b>Net cash used in financing activities</b>                |       |           | -       |           | (40,440) |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |       |           | 127,640 |           | (21,804) |
| Cash and cash equivalents at beginning of year              |       |           | 299,188 |           | 320,992  |
| <b>Cash and cash equivalents at end of year</b>             |       |           | 426,828 |           | 299,188  |

# HOUNSLOW MUSIC SERVICE

## STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 March 2025

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### 1 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the Board Of Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 2 Accounting policies

#### Charity information

Hounslow Music Service is a private company limited by guarantee incorporated in England and Wales. The registered office is 64A Pears Road, Hounslow, London, TW3 1SR. The company is also a registered charity with registration number 1165778.

#### 2.1 Accounting convention

The accounts have been prepared in accordance with the charitable company's memorandum and articles, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (as amended for accounting periods commencing from 1 January 2016). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 2.2 Going concern

At the time of approving the financial statements, the trustees have undertaken an assessment of the adequacy of the resources available to the charity. The trustees have a reasonable expectation the charity has adequate resources to continue in operational existence for the foreseeable future and accordingly continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 2.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Board Of Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charitable company.

#### 2.4 Incoming resources

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Grants receivable and local authority fees are credited to the statement of financial activities in the period to which they relate. A liability for any repayment is recognised when there is uncertainty.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

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### 2 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Incoming resources represent tuition fees and income from concerts, tours, hire of instruments, subscriptions, training and other services rendered during the year. Donations and other income are included in the year in which they are received.

#### 2.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Resources expended are recognised in the year in which they are incurred. Resources expended include attributable Value Added Tax which cannot be recovered.

#### Expenditure for charitable purposes

Direct charitable expenditure includes all expenditure directly related to the objectives of the charitable company and comprises the costs of providing instrumental tuition, concert performances, tours, and education and community projects undertaken by the charitable company and is accounted for when payable. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

#### Governance costs

Governance costs represent expenditure incurred in the management of the charitable company's assets, organisational administration and compliance with constitutional and statutory requirements.

#### 2.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                     |                                                    |
|---------------------|----------------------------------------------------|
| Musical instruments | Over 5-50 years on a straight line basis per annum |
| Office equipment    | Over 3 years on a straight line basis per annum    |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2025

### 2 Accounting policies

(Continued)

#### 2.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 2.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 2.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### *Basic financial liabilities*

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 2.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2025

### 2 Accounting policies

(Continued)

#### 2.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

HMS contributed to TPS until August 2024. All staff are now on a defined contribution scheme, apart from one who remains on the Local Government Pension Scheme.

Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charitable company in the year.

#### 2.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

The lease for 64A Pears Road was agreed at an annual rental expense that is below market-rate. This 'non-exchange' transaction satisfies a donation amounting to difference between the amounts paid and the expected market rent.

An independent market valuation established the property's annual rental value to be £35,000 based on prevailing market rates.

### 3 Donations and legacies

|                                                 | Unrestricted<br>funds | Restricted<br>funds | Total<br>2025  | Total<br>2024  |
|-------------------------------------------------|-----------------------|---------------------|----------------|----------------|
|                                                 | £                     | £                   | £              | £              |
| Donations and gifts                             | 32,808                | -                   | 32,808         | 798            |
| Grant receivable for core activities            | -                     | 407,077             | 407,077        | 404,197        |
|                                                 | <u>32,808</u>         | <u>407,077</u>      | <u>439,885</u> | <u>404,995</u> |
| <b>Donations and gifts</b>                      |                       |                     |                |                |
| Non exchange donation - rental income           | 31,970                | -                   | 31,970         | -              |
| General donations                               | 838                   | -                   | 838            | 798            |
|                                                 | <u>32,808</u>         | <u>-</u>            | <u>32,808</u>  | <u>798</u>     |
| <b>Grants receivable for core activities</b>    |                       |                     |                |                |
| Department of Education - Music Education Grant | -                     | 391,847             | 391,847        | 391,217        |
| Mayor's Music Fund                              | -                     | 15,230              | 15,230         | 12,980         |
|                                                 | <u>-</u>              | <u>407,077</u>      | <u>407,077</u> | <u>404,197</u> |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2025

### 4 Income from investments

|                     | Unrestricted<br>funds<br>2025<br>£ | Unrestricted<br>funds<br>2024<br>£ |
|---------------------|------------------------------------|------------------------------------|
| Interest receivable | 2,892                              | 55                                 |

### 5 Charitable activities

|                                         | School<br>Income<br>£ | Parental<br>Income<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|-----------------------------------------|-----------------------|-------------------------|--------------------|--------------------|
| <b>Income from:</b>                     |                       |                         |                    |                    |
| Music education                         | 719,208               | 299,756                 | 1,018,964          | 1,019,731          |
| Analysis by fund                        |                       |                         |                    |                    |
| <b>For the year ended 31 March 2025</b> |                       |                         |                    |                    |
| Unrestricted funds                      | 719,208               | 299,756                 | 1,018,964          |                    |
| <b>For the year ended 31 March 2024</b> |                       |                         |                    |                    |
| Unrestricted funds                      | 702,967               | 316,764                 |                    | 1,019,731          |

### 6 Other income

|              | Total Unrestricted<br>funds<br>2025<br>£ | Total Unrestricted<br>funds<br>2024<br>£ |
|--------------|------------------------------------------|------------------------------------------|
| Other income | -                                        | 103                                      |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2025

### 7 Charitable activities

|                                        | 2025             | 2024             |
|----------------------------------------|------------------|------------------|
|                                        | £                | £                |
| <b>Expenditure on:</b>                 |                  |                  |
| Staff costs                            | 971,111          | 963,677          |
| Depreciation and impairment            | 18,849           | 20,151           |
| Direct costs                           | 93,377           | 87,406           |
|                                        | <u>1,083,337</u> | <u>1,071,234</u> |
| Share of support costs (see note 8)    | 349,908          | 290,391          |
| Share of governance costs (see note 8) | 22,577           | 14,562           |
|                                        | <u>1,455,822</u> | <u>1,376,187</u> |
| <b>Analysis by fund</b>                |                  |                  |
| Unrestricted funds                     | <u>1,455,822</u> | <u>1,376,187</u> |
|                                        | <u>1,455,822</u> | <u>1,376,187</u> |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2025

### 8 Support costs allocated to activities

|                                | Support Costs | Governance Costs | 2025           | 2024           |
|--------------------------------|---------------|------------------|----------------|----------------|
|                                | £             | £                | £              | £              |
| Staff costs                    | 185,903       | -                | 185,903        | 175,801        |
| Telephone & Internet           | 1,820         | -                | 1,820          | 4,034          |
| Bank fees                      | 4,135         | -                | 4,135          | 3,483          |
| Cleaning and refuse collection | 16,137        | -                | 16,137         | 12,699         |
| Consulting                     | 7,991         | -                | 7,991          | -              |
| General expenses               | 15,866        | -                | 15,866         | 12,309         |
| IT costs                       | 49,651        | -                | 49,651         | 41,269         |
| Utilities                      | 14,654        | -                | 14,654         | 18,813         |
| Printing, postage & stationery | 2,414         | -                | 2,414          | 3,004          |
| Rent                           | 35,000        | -                | 35,000         | 3,000          |
| Interest paid                  | -             | -                | -              | 440            |
| Audit fees                     | -             | 22,578           | 22,578         | 14,562         |
| Insurance                      | 4,321         | -                | 4,321          | 3,088          |
| Travel                         | 2,012         | -                | 2,012          | 2,504          |
| Payroll admin                  | 2,528         | -                | 2,528          | 3,241          |
| Rates                          | 6,934         | -                | 6,934          | 6,502          |
| Advertising & Marketing        | 541           | -                | 541            | 204            |
|                                |               |                  | <u>372,485</u> | <u>304,953</u> |
| <b>Analysed between:</b>       |               |                  |                |                |
| Charitable activities          | 349,907       | 22,578           | <u>372,485</u> | <u>304,953</u> |

These costs are wholly attributable to charitable activities and are allocated based on the trustees' estimate of the appropriate proportion attributable to each activity.

### 9 Board Of Trustees

During the year, a negligible sum of £451 was recharged for legitimate trustee expenses. These were incurred for the purposes of supplying board meeting refreshments and some travel costs.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2025

### 10 Employees

#### Number of employees

The average monthly number of employees during the year was:

|                             | 2025<br>Number | 2024<br>Number |
|-----------------------------|----------------|----------------|
| Teaching staff              | 57             | 62             |
| Management & Administration | 7              | 7              |
|                             | <u>64</u>      | <u>69</u>      |

#### Employment costs

|                       | 2025<br>£        | 2024<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 986,145          | 942,435          |
| Social security costs | 57,036           | 59,096           |
| Other pension costs   | 113,833          | 137,947          |
|                       | <u>1,157,014</u> | <u>1,139,478</u> |

The number of employees whose annual remuneration was £60,000 or more were:

|                    | 2025<br>Number | 2024<br>Number |
|--------------------|----------------|----------------|
| £60,001 to £70,000 | 1              | 1              |

### 11 Taxation

The charitable company is exempt from corporation tax on its charitable activities.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2025

### 12 Tangible fixed assets

|                                    | Musical<br>instruments<br>£ | Office<br>equipment<br>£ | Total<br>£ |
|------------------------------------|-----------------------------|--------------------------|------------|
| <b>Cost</b>                        |                             |                          |            |
| At 1 April 2024                    | 323,589                     | 34,483                   | 358,072    |
| At 31 March 2025                   | 323,589                     | 34,483                   | 358,072    |
| <b>Depreciation and impairment</b> |                             |                          |            |
| At 1 April 2024                    | 185,722                     | 30,251                   | 215,973    |
| Depreciation charged in the year   | 16,146                      | 2,704                    | 18,850     |
| At 31 March 2025                   | 201,868                     | 32,955                   | 234,823    |
| <b>Carrying amount</b>             |                             |                          |            |
| At 31 March 2025                   | 121,721                     | 1,528                    | 123,249    |
| At 31 March 2024                   | 137,867                     | 4,232                    | 142,099    |

### 13 Debtors

|                                             | 2025<br>£ | 2024<br>£ |
|---------------------------------------------|-----------|-----------|
| <b>Amounts falling due within one year:</b> |           |           |
| Trade debtors                               | 16,842    | 49,703    |
| Other debtors                               | 1,000     | -         |
| Prepayments and accrued income              | 9,388     | 7,495     |
|                                             | 27,230    | 57,198    |

### 14 Creditors: amounts falling due within one year

|                 | Notes | 2025<br>£ | 2024<br>£ |
|-----------------|-------|-----------|-----------|
| Deferred income | 15    | 58,421    | 10,790    |
| Trade creditors |       | 599       | 1,369     |
| Other creditors |       | 36,285    | 15,984    |
| Accruals        |       | 20,187    | 14,446    |
|                 |       | 115,492   | 42,589    |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2025

### 15 Deferred income

|                                     | 2025<br>£     | 2024<br>£     |
|-------------------------------------|---------------|---------------|
| Arising from government grants      | 45,431        | -             |
| Arising from tour income in advance | 12,990        | 10,790        |
|                                     | <u>58,421</u> | <u>10,790</u> |

Deferred income is included in the financial statements as follows:

|                     | 2025<br>£     | 2024<br>£     |
|---------------------|---------------|---------------|
| Current liabilities | <u>58,421</u> | <u>10,790</u> |

### 16 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

|       | Balance at 1<br>April 2024<br>£ | Movement in funds          |                            |                  | Balance at 31<br>March 2025<br>£ |
|-------|---------------------------------|----------------------------|----------------------------|------------------|----------------------------------|
|       |                                 | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfers<br>£   |                                  |
| Grant | -                               | 407,077                    | -                          | (407,077)        | -                                |
|       | <u>-</u>                        | <u>407,077</u>             | <u>-</u>                   | <u>(407,077)</u> | <u>-</u>                         |

The transfer represented the costs incurred for the core activities relating directly to the grant monies received.

### 17 Designated funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

|                                    | Balance at 1<br>April 2024<br>£ | Movement in funds          |                            | Balance at 31<br>March 2025<br>£ |
|------------------------------------|---------------------------------|----------------------------|----------------------------|----------------------------------|
|                                    |                                 | Incoming<br>resources<br>£ | Resources<br>expended<br>£ |                                  |
| Revaluation of Musical Instruments | 92,045                          | -                          | (16,145)                   | 75,900                           |
| Hounslow Bursary Reserve           | 10,000                          | -                          | (7,095)                    | 2,905                            |
|                                    | <u>102,045</u>                  | <u>-</u>                   | <u>(23,240)</u>            | <u>78,805</u>                    |

The resources expended represent the depreciation cost for the musical instruments.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2025

### 18 Analysis of net assets between funds

|                                                    | Unrestricted<br>£ | Restricted<br>£ | Total<br>£     |
|----------------------------------------------------|-------------------|-----------------|----------------|
| Fund balances at 31 March 2025 are represented by: |                   |                 |                |
| Tangible assets                                    | 123,249           | -               | 123,249        |
| Current assets/(liabilities)                       | 338,566           | -               | 338,566        |
|                                                    | <u>461,815</u>    | <u>-</u>        | <u>461,815</u> |

### 19 Operating lease commitments

#### Lessee

The operating lease represents the lease of part of the ground floor and all of the first floor of 64 Pears Road. The inception of the lease was on 4th January 2017. The lease is negotiated at a rent of £3,000 per annum over 20 years and rentals are fixed for 5 years. The rent will be reviewed upwards every 5 years by between 2 and 4%, whichever is closer to the level of inflation, for the entire 20 year lease. There is no stated commitment period in the lease contract.

### 20 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel was as follows:

|                        | 2025<br>£     | 2024<br>£     |
|------------------------|---------------|---------------|
| Aggregate compensation | <u>66,791</u> | <u>63,065</u> |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2025

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### 21 Pension schemes

#### Teachers Pension Scheme

The charity participated in the Teachers' Pension Scheme (the "TPS"), for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £88,048.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2020, and the valuation report, which was published in October 2023. The employers contribution rate increased to 28.6%. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

#### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme and took on by the charitable company as part of the transfer. The LGPS is closed to the charitable company so no new members can be admitted from the point of externalisation. By March 2025 just one member of staff remains. The scheme would continue until the last member leaves the charitable company. The total contribution made in the year was £15,625.

#### Defined Contribution Scheme

The charitable company operates a defined contribution pension scheme for all qualifying employees. A total of £10,160 was charged to profit or loss in respect of defined contribution schemes. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

### 22 Company limited by guarantee

The liability of the members is limited. Every member undertakes to contribute an amount not exceeding £1 to the assets of the company, in the event of the company being wound up whilst they are a member, or within one year after ceasing to be a member, for the payment of the debts and liabilities of the company contracted before ceasing to be a member.

## HOUNSLOW MUSIC SERVICE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2025

| 23 | Cash generated from operations                                    | 2025<br>£      | 2024<br>£     |
|----|-------------------------------------------------------------------|----------------|---------------|
|    | Surplus for the year                                              | 5,919          | 48,697        |
|    | Adjustments for:                                                  |                |               |
|    | Investment income recognised in statement of financial activities | (2,892)        | (55)          |
|    | Depreciation and impairment of tangible fixed assets              | 18,849         | 20,151        |
|    | Loan interest provision                                           | -              | 440           |
|    | Movement in designated restricted funds                           | -              | -             |
|    | Movements in working capital:                                     |                |               |
|    | Decrease/(increase) in debtors                                    | 29,969         | (25,928)      |
|    | Increase/(decrease) in creditors                                  | 25,272         | (26,361)      |
|    | Increase in deferred income                                       | 47,631         | 1,636         |
|    | <b>Cash generated from operations</b>                             | <b>124,748</b> | <b>18,580</b> |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2025

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**24 Analysis of cash and cash equivalents**

|              | 2025    | 2024    |
|--------------|---------|---------|
|              | £       | £       |
| Cash in hand | 426,828 | 299,188 |

**25 Analysis of changes in net funds**

The charitable company had no material debt during the year.

**HOUNSLOW MUSIC SERVICE**

England & Wales - Charity number 1165778

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# Accounts

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Charity registration number 1165778

Company registration number 09947772 (England and Wales)

# **HOUNSLOW MUSIC SERVICE**

**Annual report and financial statements**

**For the year ended 31 March 2024**

# HOUNSLOW MUSIC SERVICE

## LEGAL AND ADMINISTRATIVE INFORMATION

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|                          |                                                                                                                                                            |                                                             |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| <b>Board Of Trustees</b> | O M Barry<br>C W Hill<br>C R C Holderness<br>S J Shotton<br>C P Salters<br>Dr P K Basra<br>T G F Sylvester<br>D F S Rogers<br>D B Meyer<br>Samia Chaudhary | (Appointed 9 October 2023)<br>(Appointed 26 September 2024) |
| <b>Charity number</b>    | 1165778                                                                                                                                                    |                                                             |
| <b>Company number</b>    | 09947772                                                                                                                                                   |                                                             |
| <b>Principal address</b> | 64A Pears Road<br>Hounslow<br>London<br>TW3 1SR                                                                                                            |                                                             |
| <b>Registered office</b> | 64A Pears Road<br>Hounslow<br>London<br>TW3 1SR                                                                                                            |                                                             |
| <b>Auditor</b>           | WSM Advisors Limited<br>Connect House<br>133-137 Alexandra Road<br>London<br>SW19 7JY                                                                      |                                                             |
| <b>Bankers</b>           | Barclays Bank plc                                                                                                                                          |                                                             |

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# HOUNSLOW MUSIC SERVICE

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# HOUNSLOW MUSIC SERVICE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

For the year ended 31 March 2024

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The trustees, who are also the directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: 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) (effective 1 January 2015).

The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the charitable company's memorandum and articles, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (as amended for accounting periods commencing from 1 January 2016).

### Our Purpose and Activities

The company's charitable objects are set out in its Memorandum and Articles of Association. The principal objective of the company is to provide the highest quality musical opportunities for children, young people and others in and around the London Borough of Hounslow.

Our mission is to encourage participation, enjoyment and achievement by providing the highest quality learning opportunities in music and the performing arts.

### The Year in Numbers

Hounslow schools where HMS delivered the National Plan for Music Education (NPME)

|                                     |       |
|-------------------------------------|-------|
| Primary Schools                     | 100%  |
| Secondary Schools                   | 84%   |
| Special Schools                     | 100%  |
| Schools where HMS supported singing | 100%  |
| Number of pupils in First Access    | 4,952 |
| Number of pupils continuing         | 2,063 |
| Total pupils taught weekly by HMS   | 7,658 |

### First Access to music

As a core role of the NPME, enabling access to instrumental music making for all children is a priority. The post pandemic recovery has continued and most schools who previously had wind and brass instrumental programmes have returned to these programmes.

The TuneIN programme, devised during the pandemic and in response to schools asking us to deliver the music curriculum either alongside their class teachers, or instead of class teachers has continued to be very popular. This is a significant growth area for us with more schools asking us to deliver the programme throughout the primary school. Children learn to play instruments as part of this programme, but the instruments are less complex and the main focus is the development of musical skills. These musical skills create a foundation on which children can progress to learning a more complex musical instrument when they feel ready.

### Continuation beyond first access

Until 2020, continuation was an identified strength of HMS with numbers continuing beyond first access significantly above national averages. This dropped significantly in 2020/21 and again in 2021/22. The lack of in person teaching, performances within schools and extra projects severely affected uptake. Although the number of children wanting to continue has risen, the cost-of-living crisis and the squeeze on school funding has now hit many pupils. Numbers continuing are gently rising, but this is a key area where more funding is needed to support hard pressed families.

The number of children learning in small group lessons has continued to recover, although the increased cost of living has continued to have an impact. In addition, as a borough so dependent on hospitality, aviation and their associated industries, Hounslow is taking longer to recover from changes brought about by the impact of the pandemic than other areas where there is a broader mix of industries.

# **HOUNSLOW MUSIC SERVICE**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

**For the year ended 31 March 2024**

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### **Music Centres, Schools and Academy**

Saturday Music Academy numbers continued to rise during 2023/24, with several new teachers joining enabling us to respond to waiting lists. Recruiting and retaining teachers continues to be a challenge.

Ensemble membership is expanding with lots of new pupils joining and enjoying these. The number of children and young people joining ensembles has been lower in Hounslow than other boroughs and it is a strategic priority for the service to encourage greater participation in ensembles. It is worth noting that the trend of schools extending the school day and more children having tutoring to prepare for applications to grammar schools, is affecting recruitment to ensembles.

### **Examinations**

We ran two examination centres in 2023/24, in February half term and in July, for both Trinity and ABRSM examinations. A total of 176 pupils took examinations through HMS during the year. During 2023/24 ABRSM provided a bursary scheme to make examinations more accessible for families for whom finance may have been a barrier. Many Hounslow pupils benefited from this new bursary scheme.

### **Support for Schools**

Hounslow Music Service has continued to lead primary music network meetings. Although these have remained online, schools have been extremely positive in their feedback about the training, and attend in large numbers. HMS does not charge for these meetings although schools pay into the Hounslow Education Partnership which provides the secretariat function.

HMS also pays for all Primary and Special schools in the borough to access Charanga resources free of charge, and broker training for schools to use these. We are keen to repeat the highly successful Primary Music Conference which we delivered in 2022 at Waterman's Arts Centre; however, the closure of that centre and the lack of alternative space has been the barrier, but one we are determined to overcome.

HMS also attends and supports the Secondary Network meetings, which are run by the Head of Music at Gumley House School, which hosts most meetings. A strong relationship with the University of West London has been developed and they support our local Battle of the Bands at their premises.

### **Instrument Hire Scheme**

During 2023/24, HMS placed 4125 instruments in primary schools to provide whole class lessons for children at no charge. A further 245 instruments were placed in secondary schools to support music leaders there to deliver their curriculum. In addition to these we placed buckets and spoons, boom whackers, xylophones and djembes in schools to support the TuneIN programme.

The annual programme of mouthpiece, slide and instrument cleaning and repair resumed during the year alongside replacement of asset tags that had fallen off.

### **End of term and chamber concerts**

During 2023/24 the chamber concert programme was increased to six concerts a year and attracted a broader range of students, particularly those who wanted to sing or play drums. Performers also ranged from beginners to post grade 8 students. End of term concerts were well received and attended.

Summer 2023 also saw a return of the Dean's Yard performance in Westminster, where the concert band performs as part of the Westminster Abbey Cathedral School summer fete. This is a popular concert with parents and pupils who enjoy performing in such an iconic space in central London.

### **Bursaries and scholarships**

The Saturday Music Academy flagship programme is the Special Award, where a bespoke programme of activities are grouped together to provide keen musicians with a holistic music education. Young musicians who show a track record of commitment and progress on an instrument are eligible to apply, regardless of age. Crucially the programme is heavily subsidised to make it affordable and ensure that finance is not a barrier to progress in the borough. Pupils in receipt of the Special Award sing in a choir, attend theory, have a lesson and are members of ensembles. The HMS subsidy is £16,347 per annum.

# **HOUNSLOW MUSIC SERVICE**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

**For the year ended 31 March 2024**

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London Music Fund (LMF) continues to provide funding for scholars, and awarded scholarships to a new cohort in 2023. In Hounslow, every LMF scholar is joined by another child to share their lesson, and this is known as our Shadow Scholar scheme. We have found that children who share their lessons in the early stages of learning are more likely to continue to play their instrument, particularly if the paired scholars are from the same school. Shadow Scholars are chosen from those students who have finished a year of First Access within their primary school and are keen to continue. These children share an instrumental lesson with the LMF scholars and avail of the wider Special Award programme. HMS also tops up the LMF scholarship. The cost to HMS of these two programmes is £17,914 per annum.

HMS has created a bursary fund to support these programmes and help as many children as possible to reach their musical potential. Children from these programmes have gone on to study music at some of the country's most prestigious institutions, including the Yehudi Menuhin and Purcell specialist music schools, London Conservatoires and the music departments of the Universities of Oxford and Cambridge.

### **Public benefit**

The Trustees confirm that, in determining the activities undertaken by HMS, they have had due regard to the public benefit requirement, and the guidance published by the Charity Commission. We have reviewed all our programmes against the public benefit requirement in 2023/24 and confirmed that all activities we invest in deliver public benefit, in the form of advancing education and the arts or increasing access to music-making from under-represented groups within the Borough of Hounslow. Any private benefit - for example for individuals benefiting from our bursary scheme - is incidental to the wider public benefit of removing barriers to accessing music. All new projects and programmes will be carefully reviewed against the public benefit requirement and guidance. The Trustees are satisfied that the public benefit requirement is met in respect of all Hounslow Music Service's activity.

### **Reorganisation of Music Education Hubs**

The concept of Music Education Hubs was introduced in 2012 as a mechanism to deliver the promises of the NPME. For more than eleven years Hounslow Music Service (HMS) has been the lead organisation for the local Music Education Hub in the London Borough of Hounslow, implementing all aspects of the original NPME and undertaking all the core and extension roles detailed therein. Since 2012 Arts Council England (ACE), who distribute funding on behalf of the Department for Education (DfE), have consistently judged HMS to be a high performing Music Education Hub in their annual feedback letter. A significant amount of background information and statistical data is provided to ACE on a regular basis to secure the release of grant payments.

HMS continues to be rated, in ACE's now quarterly feedback reports, as "minor risk" which is their lowest risk category. During 2023/24, ACE identified financial resilience and strong governance as particular key strengths of HMS. HMS also successfully bid for DfE/ACE funding for 2023/24 to deliver the NPME, based on extensively revised guidance issued in May 2023.

### **The Music Hub Investment Programme**

In June 2022 the new National Plan for Music Education was published by the DfE. The original core and extension roles were removed and replaced with three goals and five strategic functions. The three goals are;

1. All children and young people receive a high-quality music education in the early years and in schools.
2. All music educators to work in partnership with children and young people's needs and interests at their heart.
3. All children and young people with musical interests and talents to have the opportunity to progress their interests and potential, including professionally.

# HOUNSLOW MUSIC SERVICE

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

For the year ended 31 March 2024

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Although this is expressed differently to what was in the original plan, it is basically the same requirement but with the addition of Early Years. There are a further five strategic functions to be delivered through partnership which are;

1. Take a leading role in building a sustainable, local infrastructure for high quality music education and music making in partnership with others.
2. Support all state funded schools to deliver music, in and beyond the curriculum.
3. Support children and young people to progress in music.
4. Drive broad access to music, so every child has the opportunity to participate, irrespective of their circumstances.
5. Ensure the partnership is sustainable and takes account of environmental responsibilities.

Within the plan was a statement from the DfE that they intended to reduce the number of Hub Lead Organisations from September 2024. This would require greater collaboration across larger areas, with a lead organisation to coordinate this work and to manage the relationship with ACE. The DfE stated vision was that this new Hub Lead Organisation would have a strategic role, with existing providers - like HMS - focusing on delivery.

In Spring 2023, DfE released its prescribed areas for the new larger music hubs, reducing the total from 117 to 43. The London Borough of Hounslow would form part of the new 'London-South West' area. This area covered the seven boroughs within the informal "South West London Music" partnership, that HMS has been part of for more than 30 years, alongside Croydon Music and Arts, Hounslow Music Service, Kingston Music Service, Merton Music Foundation, Richmond Music Trust, Sutton Music Trust and Wandsworth Music. This group has worked collaboratively where it made sense to work across a larger area and where there was scope for peer learning in order to improve services, while recognising the value of locally-based services to reflect the significant economic, cultural and ethnic differences between the seven areas.

When, in June 2023, the DfE and ACE invited bids for new Hub Lead Organisations to lead work in the new larger hub areas, HMS agreed, with its partners within SWLM, that SWL Music should become formalised as a company limited by guarantee, which would bid for the hub lead role for London - South West. SWLM has a board of seven independent directors, each nominated by one of the seven partner organisations. After a lengthy process, which concluded after the current reporting period, the bid of HMS and its partner organisations in SWLM was successful, and SWLM became the new Hub Lead Organisation for London-South West from September 2024.

### Financial review

Taking into account income and expenditure, the charity realised an operational surplus of £48,697 for the year. The net movement for the year was an increase of £48,697 in total charity's funds.

Teaching within and outside school has recovered well and trustees were pleased to generate a surplus of £48,697. Trustees are creating a new bursary fund to support more children and young people, for whom finance could be a barrier, to continue with their music making, and this surplus will be used to support this.

Total fund balances as at 31 March 2024 were £455,896, of which £142,099 related to the revaluation reserve and the general unrestricted funds stood at £313,797.

Total income for the year from grant monies and tuition fees was £1,424,884 increasing from £1,416,854 last year. Total expenditure was £1,376,187, decreasing from £1,394,079 last year, of which £14,562 (2023: £13,345) related to the governance of the charitable company.

# HOUNSLOW MUSIC SERVICE

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

For the year ended 31 March 2024

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### Investment Policy

During 2023/24 HMS took advantage of the higher interest rates available in notice and no notice savings accounts and opened two new business savings accounts. We continue to monitor cashflows to ensure that we are using our reserves where possible to generate additional revenue through using bank accounts which attract a better rate of interest.

### Teachers' Pension Scheme (TPS)

All HMS tutors have been automatically enrolled into the Teachers' Pension Scheme. In 2019 it was announced that the employer contribution would rise to 23.68% and the Department for Education (DfE) would provide a grant to organisations to cover this increase. We learned that from September 2024 that this grant would no longer be available to independent organisations. The loss of this grant combined with a further increase in employer contributions would represent a total unfunded loss of almost £100,000 for HMS.

By the end of 2023-24, with DfE position clearly fixed, HMS trustees concluded that the scale of the unfunded loss was too great for HMS to bear without impacting significantly on its ability to continue to deliver its charitable purposes. Having taken legal advice, the trustees took the decision to consult staff about leaving the TPS at the end of August 2024. In practice, this required notice to be given to TPS by the end of July 2024. After consultation all staff agreed and HMS gave notice in late July 2024 of its intention to leave TPS by 31 August 2024. Subsequent to this, but too late to impact on the HMS decision, the DfE did announce that it would extend provision of the grant for independent organisations until March 2025.

### Risk management

The Trustees have prepared a Risk Register, which is regularly reviewed and was substantially refined in 2023 to make it a more effective document that can inform decision-making on a regular basis.

The main risks that Trustees have identified are:

1. Uncertainty around Arts Council England's Music Education Hub Lead programme. The initial ACE announcement of April 2024 confirmed HMS's concerns that this was a significant risk to the organisation.
2. Significant increases in Employer costs for ongoing membership of the Teachers' Pension Scheme. The removal of the TPS grant alongside a further 5% rise in Employer contribution rates will add £100,000 annually to employment costs.
3. The current economic situation including the cost-of-living crisis and increased energy costs – not only does this increase costs to HMS, but it is uncertain as to the level of discretionary spend parents will have available for music tuition.

The key mitigations HMS has implemented to protect the organisation are:

1. Work closely with our colleagues across Southwest London to meet the ACE/DfE requirements of the bidding process. Reiterate the track record of 7 low risk, high performing organisations within that bid.
2. Consult staff on leaving TPS by 31<sup>st</sup> August 2024, while continuing to lobby government to change their stance on this.
3. Retain prices at the most affordable rate possible while covering costs of delivery. Ensure the service is run as efficiently as possible and explore savings in overheads.

Despite the chaos and uncertainty caused by these risks, HMS has continued to deliver a high-quality service to our community. The Board, supported by the Finance, Risk and Audit Committee, keep this under close review on a regular basis.

# HOUNSLOW MUSIC SERVICE

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

For the year ended 31 March 2024

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### Going concern assessment

The Trustees are satisfied that the financial statements of Hounslow Music Service should be prepared on a going concern basis. Once again HMS generated a surplus during the year ended 31<sup>st</sup> March '24, increasing its reserves to over £400k at the balance sheet date. The reserves and cashflows should continue to increase in the coming years.

### Governance

Hounslow Music Service is a charitable company limited by guarantee, incorporated on 12 January 2016 and registered as a charity on 26 February 2016. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. None of the trustees have any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

### Trustee induction and training

New trustee induction includes briefing them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes and recent financial performance of the charity. During the induction process, they meet key employees and the other trustees. New trustees are also given relevant documentation including recent important documentation on music education, management financial reports, meeting minutes and copies of the charity's annual Reports and financial statements.

### Organisation

The Board of Trustees meets quarterly to manage the affairs of the charity. The Board consisted of ten directors, from a variety of professional backgrounds, who are responsible for the overall strategic direction and policy of the charity. The Chief Executive, manages the day-to-day operations of the charity, and as delegated authority, within terms of delegation approved by the trustee body, for operational matters including finance, employment and artistic related activity.

The Finance Risk and Audit Committee (FRAC) also meets quarterly to scrutinise finance and risk and to consider the findings of our annual audit. The Chair of the FRAC provides a report at Board meetings about their discussions.

### Health and safety, child protection and safeguarding

The health and safety of staff and students together with child protection are primary concerns to the Trustees. Music Centre managers and other key staff undertake both first aid and fire marshal training and all staff are made aware of their own duties and responsibilities for health and safety issues.

Hounslow Music Service adopts the current Child Protection requirements as set out by the Home Office. Prior to the commencement of work enhanced DBS checks take place for all new staff together with at least two satisfactory references and interview, in line with Safer Recruitment guidelines in Keeping Children Safe in Education (KCSIE). All staff are on the DBS update service meaning they are checked every year.

The Trustees' report was approved by the Board Of Trustees on 22 January 2025 and signed on its behalf by:



**Clare Paddi Salters**  
Chair of Trustees

# **HOUNSLOW MUSIC SERVICE**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**For the year ended 31 March 2024**

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The trustees (who are also directors of Hounslow Music Service for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charity SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

# HOUNSLOW MUSIC SERVICE

## INDEPENDENT AUDITOR'S REPORT

### TO THE BOARD OF TRUSTEES OF HOUNSLOW MUSIC SERVICE

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#### Opinion

We have audited the financial statements of Hounslow Music Service (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board Of Trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Board Of Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

# **HOUNSLOW MUSIC SERVICE**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE BOARD OF TRUSTEES OF HOUNSLOW MUSIC SERVICE**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Board Of Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

#### **Responsibilities of Board Of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Board Of Trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board Of Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board Of Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board Of Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 476 of the Companies Act 2006 and section 144 of the Charities Act 2011 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and posting inappropriate journal entries to manipulate the fair value of the company's assets.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation where relevant, review of Directors meeting minutes, enquiries with management as to the risks of non-compliance and any instances thereof, challenging assumptions and judgments made by management, and identifying and testing journal entries, in particular any journal entries posted with unusual account combinations. Our audit procedures also focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less like we are to become aware of it.

# **HOUNSLOW MUSIC SERVICE**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE BOARD OF TRUSTEES OF HOUNSLOW MUSIC SERVICE**

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The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.  
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*WSM Advisors Limited*

**Michael Spink ACA (Senior Statutory Auditor)**  
**for and on behalf of WSM Advisors Limited**

22 January 2025

**Chartered Accountants**  
**Statutory Auditor**

Connect House  
133-137 Alexandra Road  
Wimbledon  
London  
SW19 7JY

# HOUNSLOW MUSIC SERVICE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2024

|                                                           | Notes | Unrestricted<br>funds<br>2024<br>£ | Restricted<br>funds<br>2024<br>£ | Total<br>2024<br>£    | Total<br>2023<br>£    |
|-----------------------------------------------------------|-------|------------------------------------|----------------------------------|-----------------------|-----------------------|
| <b><u>Income and endowments from:</u></b>                 |       |                                    |                                  |                       |                       |
| Donations and legacies                                    | 3     | 798                                | 404,197                          | 404,995               | 416,191               |
| Charitable activities                                     | 5     | 1,019,731                          | -                                | 1,019,731             | 999,487               |
| Investments                                               | 4     | 55                                 | -                                | 55                    | -                     |
| Other income                                              | 6     | 103                                | -                                | 103                   | 1,176                 |
| <b>Total income</b>                                       |       | <u>1,020,687</u>                   | <u>404,197</u>                   | <u>1,424,884</u>      | <u>1,416,854</u>      |
| <b><u>Expenditure on:</u></b>                             |       |                                    |                                  |                       |                       |
| Charitable activities                                     | 7     | <u>1,376,187</u>                   | <u>-</u>                         | <u>1,376,187</u>      | <u>1,394,079</u>      |
| <b>Net (expense)/income resources before transfers</b>    |       | (355,500)                          | 404,197                          | 48,697                | 22,775                |
| Gross transfers between funds                             |       | <u>404,197</u>                     | <u>(404,197)</u>                 | <u>-</u>              | <u>-</u>              |
| <b>Net income for the year/<br/>Net movement in funds</b> |       | 48,697                             | -                                | 48,697                | 22,775                |
| Fund balances at 1 April 2023                             |       | <u>407,199</u>                     | <u>-</u>                         | <u>407,199</u>        | <u>384,424</u>        |
| <b>Fund balances at 31 March 2024</b>                     |       | <u><u>455,896</u></u>              | <u><u>-</u></u>                  | <u><u>455,896</u></u> | <u><u>407,199</u></u> |

The statement of financial activities includes all gains and losses recognised in the year.

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

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# HOUNSLOW MUSIC SERVICE

## BALANCE SHEET

As at 31 March 2024

|                                                       | Notes | 2024<br>£       | £              | 2023<br>£        | £              |
|-------------------------------------------------------|-------|-----------------|----------------|------------------|----------------|
| <b>Fixed assets</b>                                   |       |                 |                |                  |                |
| Tangible assets                                       | 12    |                 | 142,099        |                  | 162,250        |
| <b>Current assets</b>                                 |       |                 |                |                  |                |
| Debtors                                               | 13    | 57,198          |                | 31,271           |                |
| Cash at bank and in hand                              |       | 299,188         |                | 320,992          |                |
|                                                       |       | <u>356,386</u>  |                | <u>352,263</u>   |                |
| <b>Creditors: amounts falling due within one year</b> | 15    | <u>(42,589)</u> |                | <u>(107,314)</u> |                |
| Net current assets                                    |       |                 | 313,797        |                  | 244,949        |
| <b>Total assets less current liabilities</b>          |       |                 | <u>455,896</u> |                  | <u>407,199</u> |
| <b>Income funds</b>                                   |       |                 |                |                  |                |
| <u>Unrestricted funds</u>                             |       |                 |                |                  |                |
| Designated funds                                      | 18    | 92,045          |                | 109,492          |                |
| General unrestricted funds                            |       | <u>363,851</u>  |                | <u>297,707</u>   |                |
|                                                       |       |                 | 455,896        |                  | 407,199        |
| <b>Total charity funds</b>                            |       |                 | <u>455,896</u> |                  | <u>407,199</u> |

The accounts were approved by the Board Of Trustees on 22 January 2025



C P Salters  
Trustee

Company Registration No. 09947772

# HOUNSLOW MUSIC SERVICE

## STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

|                                                               | Notes | 2024<br>£ | £        | 2023<br>£ | £        |
|---------------------------------------------------------------|-------|-----------|----------|-----------|----------|
| <b>Cash flows from operating activities</b>                   |       |           |          |           |          |
| Cash generated from operations                                | 24    |           | 18,581   |           | 17,534   |
| <b>Investing activities</b>                                   |       |           |          |           |          |
| Purchase of tangible fixed assets                             |       | -         |          | (28,420)  |          |
| Proceeds on disposal of tangible fixed assets                 |       | -         |          | 1,575     |          |
| Interest received                                             |       | 55        |          | -         |          |
|                                                               |       |           |          |           |          |
| <b>Net cash generated from/(used in) investing activities</b> |       |           | 55       |           | (26,845) |
| Repayment of borrowings                                       |       | (40,440)  |          | (40,880)  |          |
|                                                               |       |           |          |           |          |
| <b>Net cash used in financing activities</b>                  |       |           | (40,440) |           | (40,880) |
|                                                               |       |           |          |           |          |
| <b>Net decrease in cash and cash equivalents</b>              |       |           | (21,804) |           | (50,191) |
|                                                               |       |           |          |           |          |
| Cash and cash equivalents at beginning of year                |       |           | 320,992  |           | 371,183  |
|                                                               |       |           |          |           |          |
| <b>Cash and cash equivalents at end of year</b>               |       |           | 299,188  |           | 320,992  |

# HOUNSLOW MUSIC SERVICE

## STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 March 2024

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### 1 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the Board Of Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 2 Accounting policies

#### Charity information

Hounslow Music Service is a private company limited by guarantee incorporated in England and Wales. The registered office is 64A Pears Road, Hounslow, London, TW3 1SR. The company is also a registered charity with registration number 1165778.

#### 2.1 Accounting convention

The accounts have been prepared in accordance with the charitable company's memorandum and articles, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (as amended for accounting periods commencing from 1 January 2016). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 2.2 Going concern

At the time of approving the financial statements, the trustees have undertaken an assessment of the adequacy of the resources available to the charity. The trustees have a reasonable expectation the charity has adequate resources to continue in operational existence for the foreseeable future accordingly continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 2.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Board Of Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charitable company.

#### 2.4 Incoming resources

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Grants receivable and local authority fees are credited to the statement of financial activities in the period to which they relate. A liability for any repayment is recognised when there is uncertainty.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

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### 2 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Incoming resources represent tuition fees and income from concerts, tours, hire of instruments, subscriptions, training and other services rendered during the year. Donations and other income are included in the year in which they are received.

#### 2.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Resources expended are recognised in the year in which they are incurred. Resources expended include attributable Value Added Tax which cannot be recovered.

#### Expenditure for charitable purposes

Direct charitable expenditure includes all expenditure directly related to the objectives of the charitable company and comprises the costs of providing instrumental tuition, concert performances, tours, and education and community projects undertaken by the charitable company and is accounted for when payable. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

#### Governance costs

Governance costs represent expenditure incurred in the management of the charitable company's assets, organisational administration and compliance with constitutional and statutory requirements.

#### 2.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                     |                                                    |
|---------------------|----------------------------------------------------|
| Musical instruments | Over 5-50 years on a straight line basis per annum |
| Office equipment    | Over 3 years on a straight line basis per annum    |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

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### 2 Accounting policies

(Continued)

#### 2.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 2.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 2.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### *Basic financial liabilities*

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 2.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

### 2 Accounting policies

(Continued)

#### 2.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The charitable company contributes to the Teachers' Pension Scheme on behalf of the teaching staff and also contributes to defined contribution pension schemes which have been arranged for members of staff, who are not eligible to join the Teachers' Pension Scheme.

Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charitable company in the year.

#### 2.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

The lease for 64A Pears Road was agreed at an annual rental expense that is below market-rate. This 'non-exchange' transaction satisfies a donation amounting to difference between the amounts paid and the expected market rent.

A formal review of the market valuation of the property is ongoing to ascertain the donation related to the below-market rate lease.

### 3 Donations and legacies

|                                                 | Unrestricted<br>funds | Restricted<br>funds | Total<br>2024  | Total<br>2023  |
|-------------------------------------------------|-----------------------|---------------------|----------------|----------------|
|                                                 | £                     | £                   | £              | £              |
| Donations and gifts                             | 798                   | -                   | 798            | 14,273         |
| Grant receivable for core activities            | -                     | 404,197             | 404,197        | 401,918        |
|                                                 | <u>798</u>            | <u>404,197</u>      | <u>404,995</u> | <u>416,191</u> |
| <b>Donations and gifts</b>                      |                       |                     |                |                |
| Donated musical instruments                     | 798                   | -                   | 798            | -              |
|                                                 | <u>798</u>            | <u>-</u>            | <u>798</u>     | <u>14,273</u>  |
| <b>Grants receivable for core activities</b>    |                       |                     |                |                |
| Department of Education - Music Education Grant | -                     | 391,217             | 391,217        | 391,590        |
| Mayor's Music Fund                              | -                     | 12,980              | 12,980         | 10,328         |
|                                                 | <u>-</u>              | <u>404,197</u>      | <u>404,197</u> | <u>401,918</u> |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

### 4 Income from investments

|                     | Unrestricted<br>funds<br>2024<br>£ | Unrestricted<br>funds<br>2023<br>£ |
|---------------------|------------------------------------|------------------------------------|
| Interest receivable | 55                                 | -                                  |

### 5 Charitable activities

|                                         | School<br>Income<br>£ | Parental<br>Income<br>£ | Total<br>2024<br>£ | Total<br>2023<br>£ |
|-----------------------------------------|-----------------------|-------------------------|--------------------|--------------------|
| <b>Income from:</b>                     |                       |                         |                    |                    |
| Music education                         | 702,967               | 316,764                 | 1,019,731          | 999,487            |
| Analysis by fund                        |                       |                         |                    |                    |
| <b>For the year ended 31 March 2024</b> |                       |                         |                    |                    |
| Unrestricted funds                      | 702,967               | 316,764                 | 1,019,731          |                    |
| <b>For the year ended 31 March 2023</b> |                       |                         |                    |                    |
| Unrestricted funds                      | 726,896               | 272,591                 |                    | 999,487            |

### 6 Other income

|              | Total Unrestricted<br>funds<br>2024<br>£ | Total Unrestricted<br>funds<br>2023<br>£ |
|--------------|------------------------------------------|------------------------------------------|
| Other income | 103                                      | 1,176                                    |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

### 7 Charitable activities

|                                        | 2024             | 2023             |
|----------------------------------------|------------------|------------------|
|                                        | £                | £                |
| <b>Expenditure on:</b>                 |                  |                  |
| Staff costs                            | 963,677          | 949,144          |
| Depreciation and impairment            | 20,151           | 22,612           |
| Direct costs                           | 87,406           | 114,172          |
|                                        | <u>1,071,234</u> | <u>1,085,928</u> |
| Share of support costs (see note 8)    | 290,391          | 294,806          |
| Share of governance costs (see note 8) | 14,562           | 13,345           |
|                                        | <u>1,376,187</u> | <u>1,394,079</u> |
| <b>Analysis by fund</b>                |                  |                  |
| Unrestricted funds                     | <u>1,376,187</u> | <u>1,394,079</u> |
|                                        | <u>1,376,187</u> | <u>1,394,079</u> |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

### 8 Support costs allocated to activities

|                                | Support Costs | Governance Costs | 2024           | 2023           |
|--------------------------------|---------------|------------------|----------------|----------------|
|                                | £             | £                | £              | £              |
| Staff costs                    | 175,801       | -                | 175,801        | 168,973        |
| Telephone & Internet           | 4,034         | -                | 4,034          | 2,966          |
| Bank fees                      | 3,483         | -                | 3,483          | 849            |
| Cleaning and refuse collection | 12,699        | -                | 12,699         | 11,523         |
| Consulting                     | -             | -                | -              | 5,720          |
| General expenses               | 12,309        | -                | 12,309         | 12,129         |
| IT costs                       | 41,269        | -                | 41,269         | 48,309         |
| Utilities                      | 18,813        | -                | 18,813         | 19,796         |
| Printing, postage & stationery | 3,004         | -                | 3,004          | 3,563          |
| Rent                           | 3,000         | -                | 3,000          | 5,764          |
| Interest paid                  | 440           | -                | 440            | 880            |
| Audit fees                     | -             | 14,562           | 14,562         | 13,345         |
| Insurance                      | 3,088         | -                | 3,088          | 2,549          |
| Travel                         | 2,504         | -                | 2,504          | 2,208          |
| Payroll admin                  | 3,241         | -                | 3,241          | 3,540          |
| Rates                          | 6,502         | -                | 6,502          | 5,683          |
| Advertising & Marketing        | 204           | -                | 204            | 354            |
|                                |               |                  | <u>304,953</u> | <u>308,151</u> |
| <b>Analysed between:</b>       |               |                  |                |                |
| Charitable activities          | 290,391       | 14,562           | <u>304,953</u> | <u>308,151</u> |

These costs are wholly attributable to charitable activities and are allocated based on the trustees' estimate of the appropriate proportion attributable to each activity.

### 9 Board Of Trustees

During the year, a negligible sum of £254 was recharged for legitimate trustee expenses. These were incurred for the purposes of supplying board meeting refreshments.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

### 10 Employees

#### Number of employees

The average monthly number of employees during the year was:

|                             | 2024<br>Number | 2023<br>Number |
|-----------------------------|----------------|----------------|
| Teaching staff              | 62             | 71             |
| Management & Administration | 7              | 7              |
|                             | <u>69</u>      | <u>78</u>      |

#### Employment costs

|                       | 2024<br>£        | 2023<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 942,435          | 924,965          |
| Social security costs | 59,096           | 60,092           |
| Other pension costs   | 137,947          | 133,060          |
|                       | <u>1,139,478</u> | <u>1,118,117</u> |

The number of employees whose annual remuneration was £60,000 or more were:

|                    | 2024<br>Number | 2023<br>Number |
|--------------------|----------------|----------------|
| £60,001 to £70,000 | 1              | 1              |

### 11 Taxation

The charitable company is exempt from corporation tax on its charitable activities.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

### 12 Tangible fixed assets

|                                    | Musical<br>instruments<br>£ | Office<br>equipment<br>£ | Total<br>£ |
|------------------------------------|-----------------------------|--------------------------|------------|
| <b>Cost</b>                        |                             |                          |            |
| At 1 April 2023                    | 323,589                     | 34,483                   | 358,072    |
| At 31 March 2024                   | 323,589                     | 34,483                   | 358,072    |
| <b>Depreciation and impairment</b> |                             |                          |            |
| At 1 April 2023                    | 168,275                     | 27,547                   | 195,822    |
| Depreciation charged in the year   | 17,447                      | 2,704                    | 20,151     |
| At 31 March 2024                   | 185,722                     | 30,251                   | 215,973    |
| <b>Carrying amount</b>             |                             |                          |            |
| At 31 March 2024                   | 137,867                     | 4,232                    | 142,099    |
| At 31 March 2023                   | 155,314                     | 6,936                    | 162,250    |

### 13 Debtors

|                                             | 2024<br>£ | 2023<br>£ |
|---------------------------------------------|-----------|-----------|
| <b>Amounts falling due within one year:</b> |           |           |
| Trade debtors                               | 49,703    | 23,571    |
| Prepayments and accrued income              | 7,495     | 7,700     |
|                                             | 57,198    | 31,271    |

### 14 Loans and overdrafts

|                         | 2024<br>£ | 2023<br>£ |
|-------------------------|-----------|-----------|
| Other loans             | -         | 40,000    |
| Payable within one year | -         | 40,000    |

The charitable company entered a loan agreement with London Borough of Hounslow on 29 April 2016. The long-term loan was non-secured. The loan interest was at the rate of 1% above the base lending rate from Bank of England.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

### 15 Creditors: amounts falling due within one year

|                 | Notes | 2024<br>£     | 2023<br>£      |
|-----------------|-------|---------------|----------------|
| Borrowings      |       | -             | 40,000         |
| Deferred income | 16    | 10,790        | 9,154          |
| Trade creditors |       | 1,369         | 26,823         |
| Other creditors |       | 15,984        | 16,355         |
| Accruals        |       | 14,446        | 14,982         |
|                 |       | <u>42,589</u> | <u>107,314</u> |

### 16 Deferred income

|                                     | 2024<br>£     | 2023<br>£    |
|-------------------------------------|---------------|--------------|
| Arising from tour income in advance | <u>10,790</u> | <u>9,154</u> |

Deferred income is included in the financial statements as follows:

|                     | 2024<br>£     | 2023<br>£    |
|---------------------|---------------|--------------|
| Current liabilities | <u>10,790</u> | <u>9,154</u> |

### 17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

|       | Balance at 1<br>April 2023<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfers<br>£   | Balance at 31<br>March 2024<br>£ |
|-------|---------------------------------|----------------------------|----------------------------|------------------|----------------------------------|
| Grant | <u>-</u>                        | <u>404,197</u>             | <u>-</u>                   | <u>(404,197)</u> | <u>-</u>                         |

The transfer represented the costs incurred for the core activities relating directly to the grant monies received.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

### 18 Designated funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

|                                    | Balance at 1<br>April 2023 | Movement in funds          |                            | Balance at 31<br>March 2024 |
|------------------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
|                                    | £                          | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | £                           |
| Revaluation of Musical Instruments | 109,492                    | -                          | (17,447)                   | 92,045                      |
|                                    | <u>109,492</u>             | <u>-</u>                   | <u>(17,447)</u>            | <u>92,045</u>               |

The resources expended represent the depreciation cost for the musical instruments.

### 19 Analysis of net assets between funds

|                                                    | Unrestricted<br>£ | Restricted<br>£ | Total<br>£     |
|----------------------------------------------------|-------------------|-----------------|----------------|
| Fund balances at 31 March 2024 are represented by: |                   |                 |                |
| Tangible assets                                    | 142,099           | -               | 142,099        |
| Current assets/(liabilities)                       | 313,797           | -               | 313,797        |
|                                                    | <u>455,896</u>    | <u>-</u>        | <u>455,896</u> |

### 20 Operating lease commitments

#### Lessee

The operating lease represents the lease of part of the ground floor and all of the first floor of 64 Pears Road. The inception of the lease was on 4th January 2017. The lease is negotiated at a rent of £3,000 per annum over 20 years and rentals are fixed for 5 years. The rent will be reviewed upwards every 5 years by between 2 and 4%, whichever is closer to the level of inflation, for the entire 20 year lease. There is no stated commitment period in the lease contract.

### 21 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel was as follows:

|                        | 2024<br>£     | 2023<br>£     |
|------------------------|---------------|---------------|
| Aggregate compensation | <u>63,065</u> | <u>61,778</u> |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

### 22 Pension schemes

#### Teachers Pension Scheme

The charity participates in the Teachers' Pension Scheme (the "TPS"), for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £118,809.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2016, and the valuation report, which was published in September 2019. The employers contribution rate increased to 23.68%. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.76%. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

#### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme and took on by the charitable company as part of the transfer. The LGPS is closed to the charitable company so no new members can be admitted from the point of externalisation. By March 2018 just two members of staff remain, approximately 1.3FTE. The scheme would continue until the last member leaves the charitable company. The total contribution made in the year was £14,830.

#### Defined Contribution Scheme

The charitable company operates a defined contribution pension scheme for all qualifying employees. A total of £4,308 was charged to profit or loss in respect of defined contribution schemes. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

### 23 Company limited by guarantee

The liability of the members is limited. Every member undertakes to contribute an amount not exceeding £1 to the assets of the company, in the event of the company being wound up whilst they are a member, or within one year after ceasing to be a member, for the payment of the debts and liabilities of the company contracted before ceasing to be a member.

| 24 Cash generated from operations                                 | 2024<br>£     | 2023<br>£     |
|-------------------------------------------------------------------|---------------|---------------|
| Surplus for the year                                              | 48,697        | 22,775        |
| Adjustments for:                                                  |               |               |
| Investment income recognised in statement of financial activities | (55)          | -             |
| Depreciation and impairment of tangible fixed assets              | 20,151        | 22,612        |
| Loan interest provision                                           | 440           | 880           |
| Movements in working capital:                                     |               |               |
| (Increase) in debtors                                             | (25,927)      | (22,278)      |
| (Decrease)/increase in creditors                                  | (26,361)      | 8,300         |
| Increase/(decrease) in deferred income                            | 1,636         | (14,755)      |
| <b>Cash generated from operations</b>                             | <b>18,581</b> | <b>17,534</b> |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

### 25 Analysis of cash and cash equivalents

|              | 2024<br>£ | 2023<br>£ |
|--------------|-----------|-----------|
| Cash in hand | 249,188   | 320,992   |

### 26 Analysis of changes in net funds

|                                   | At 1 April 2023<br>£ | Cash flows<br>£ | At 31 March 2024<br>£ |
|-----------------------------------|----------------------|-----------------|-----------------------|
| Cash at bank and in hand          | 320,992              | (21,804)        | 299,188               |
| Loans falling due within one year | (40,000)             | 40,000          | -                     |
|                                   | 280,992              | 18,196          | 299,188               |

**HOUNSLOW MUSIC SERVICE**

England & Wales - Charity number 1165778

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# Accounts

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Charity registration number 1165778

Company registration number 09947772 (England and Wales)

# **HOUNSLOW MUSIC SERVICE**

**Annual report and financial statements**

**For the year ended 31 March 2023**

# HOUNSLOW MUSIC SERVICE

## LEGAL AND ADMINISTRATIVE INFORMATION

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|                          |                                                                                                                                                        |                                                                                    |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <b>Board Of Trustees</b> | O M Barry<br>C W Hill<br>C R C Holderness<br>S J Shotton<br>C P Salters<br>Dr P K Basra<br>T G F Sylvester<br>D F S Rogers<br>D B Meyer<br>Cllr L Bath | (Appointed 30 June 2022)<br>(Appointed 9 October 2023)<br>(Appointed 11 July 2022) |
| <b>Charity number</b>    | 1165778                                                                                                                                                |                                                                                    |
| <b>Company number</b>    | 09947772                                                                                                                                               |                                                                                    |
| <b>Principal address</b> | 64A Pears Road<br>Hounslow<br>London<br>TW3 1SR                                                                                                        |                                                                                    |
| <b>Registered office</b> | 64A Pears Road<br>Hounslow<br>London<br>TW3 1SR                                                                                                        |                                                                                    |
| <b>Auditor</b>           | WSM Advisors Limited<br>Connect House<br>133-137 Alexandra Road<br>London<br>SW19 7JY                                                                  |                                                                                    |
| <b>Bankers</b>           | Barclays Bank plc                                                                                                                                      |                                                                                    |

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# HOUNSLOW MUSIC SERVICE

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# **HOUNSLOW MUSIC SERVICE**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

**For the year ended 31 March 2023**

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The trustees, who are also the directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: 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) (effective 1 January 2015).

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's memorandum and articles, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (as amended for accounting periods commencing from 1 January 2016).

### **Our Purpose and Activities**

The company's charitable objects are set out in its Memorandum and Articles of Association. The principal objective of the company is to provide the highest quality musical opportunities for children, young people and others in and around the London Borough of Hounslow.

Our mission is to encourage participation, enjoyment and achievement by providing the highest quality learning opportunities in music and the performing arts.

### **Review of the year and plans for the future**

#### **Arts Council England**

As lead organisation for the local Music Education Hub, Hounslow Music Service (HMS) continues to fully implement the National Plan for Music Education (NPME), undertaking all the core and extension roles as detailed in the plan. A strong and supportive relationship continues with Arts Council England (ACE) who distribute funding on behalf of the Department for Education (DfE). A significant amount of background information and statistical data is provided to ACE on a regular basis to secure the release of grant payments.

Arts Council England have replaced the Annual Feedback letter with quarterly feedback. Hounslow Music Service continues to be rated as "minor risk" which is the lowest category of concern. During the year ACE identified financial resilience and strong governance as key strengths of the organisation.

#### **Publication of the second National Plan for Music Education (NPME2)**

In June 2022 the new National Plan for Music Education was published by the DfE. The original core and extension roles have been removed and replaced with three goals and five strategic functions. The three goals are;

1. All children and young people receive a high-quality music education in the early years and in schools.
2. All music educators to work in partnership with children and young people's needs and interests at their heart.
3. All children and young people with musical interests and talents to have the opportunity to progress their interests and potential, including professionally.

Although this is expressed differently to the original plan, it is basically the same requirement but with the addition of Early Years. There are then five strategic functions to be delivered through partnership which are;

1. Take a leading role in building a sustainable, local infrastructure for high quality music education and music making in partnership with others.
2. Support all state funded schools to deliver music, in and beyond the curriculum.
3. Support children and young people to progress in music.
4. Drive broad access to music, so every child has the opportunity to participate, irrespective of their circumstances.
5. Ensure the partnership is sustainable and takes account of environmental responsibilities.

# HOUNSLOW MUSIC SERVICE

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

For the year ended 31 March 2023

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In addition the DfE will reduce the number of Hub Lead Organisations from 117 to 43, selected through a competitive bidding process. This will require existing services to collaborate more closely across larger areas, creating a lead organisation to service the relationship with ACE.

### South West London Music Education Partnership (SWLMEP)

SWLMEP is an informal partnership of seven South West London boroughs, comprising Croydon Music and Arts, Hounslow Music Service, Kingston Music Service, Merton Music Foundation, Richmond Music Trust, Sutton Music Service and Wandsworth Music. This group has worked collaboratively for more than 20 years, providing joint training days, joint projects, training for middle and senior leaders as well as sharing resources like instruments, curriculum documents and policies. The group has endured through changes in leadership across the region.

In the light of the DfE intention to reduce the number of Music Hubs across the country, the seven music services will work through SWL Music to comply with this. The seven organisations will continue to exist in each local area, and will run SWL Music.

### HMS 2022/23 – the year in numbers

#### Schools where HMS delivered core roles of the National Plan for Music

|                                     |      |
|-------------------------------------|------|
| Primary Schools                     | 100% |
| Secondary Schools                   | 78%  |
| Others                              | 100% |
| Schools where HMS supported singing | 100% |

|                                   |      |
|-----------------------------------|------|
| Number of pupils in First Access  | 5021 |
| Number of pupils continuing       | 710  |
| Total pupils taught weekly by HMS | 7179 |

### First Access to music

As a core role of the NPME, enabling access to instrumental music making for all children is a priority. The post pandemic recovery has continued and most schools who previously had wind and brass instrumental programmes have returned to these programmes.

The TuneIN programme, devised during the pandemic and in response to schools asking us to deliver the music curriculum either alongside their class teachers, or instead of class teachers has continued to be very popular. This is a significant growth area for us with more schools asking us to deliver the programme throughout the primary school. Children learn to play instruments as part of this programme, but the instruments are less complex and the main focus is the development of musical skills.

### Continuation beyond first access

Until 2020, continuation was an identified strength of HMS with numbers continuing beyond first access significantly above national averages. This dropped significantly in 2020/21 and again in 2021/22. The lack of in person teaching, performances within schools and extra projects severely affected uptake. Although numbers of children wanting to continue has risen, the cost-of-living crisis and the squeeze on school funding has now hit many pupils. Numbers continuing are gently rising, but this is a key area where more funding is needed to support hard pressed families.

Numbers of children learning in small group lessons has continued to recover, although the economic shocks caused by recent events also has an impact. Hounslow, as a borough that earns its living from hospitality and aviation and their associated industries, has been more profoundly affected by the pandemic than other areas where there are a broader mix of industries.

# **HOUNSLOW MUSIC SERVICE**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

**For the year ended 31 March 2023**

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### **Music Centres, Schools and Academy**

Saturday Music Academy numbers continue to rise during 2022/23, with several new teachers joining enabling us to respond to waiting lists.

Ensembles are also recovering with lots of new pupils joining and enjoying these. The number of children and young people joining ensembles has been lower in Hounslow than other boroughs and it is a strategic priority for the service to encourage greater participation in ensembles.

### **Examinations**

We have continued to run an examination centre twice during 2022/23, with large numbers of children taking grades. A total of 172 pupils took examinations through HMS during the year.

### **Support for Schools**

Hounslow Music Service has continued to broker primary music network meetings. Although these have remained online, schools have reported that they have found the training and content useful. The service also funds all Hounslow Primary and Special schools to access Charanga resources free of charge, and broker training for schools to use these. During the year HMS also ran a Primary Music Conference at Waterman's Arts Centre which was attended by 92% of all primary schools. It was a hugely enjoyable day led by Dr Alison Daubney.

Hounslow Music Service also attends the Secondary Network meetings, which are run by a local Head of Music.

### **Projects and workshops during 2022/23**

#### **Our Song**

HMS, in partnership with Croydon Music and Arts, were finally able to deliver our Early Years music programme in Early Years settings during the year. Funding had been awarded by Youth Music for this project in 2019, but since the focus of the project was developing singing resources for Early Years settings alongside support and training for practitioners to use these resources, the pandemic required us to redesign and delay the programme. During 2022/23 children's songs from South Asia, West Africa, the Caribbean and England were collected and recorded. These resources were then shared with settings. Alongside this there was a programme of more than 150 performances in settings by artists from those cultural heritages.

#### **Benedetti Foundation residency in Hounslow**

The Benedetti Foundation delivered 10 residencies during the year across the United Kingdom, with Hounslow being selected as the London residency. Across the week, musicians from the foundation ran workshops in schools for 3 days, working with almost 2000 primary aged children and their teachers. These were very high-quality workshops and feedback from schools was excellent.

Alongside this there was a string day which attracted 75 children who ranged from beginner to Grade 3. This took place at Gumley House Convent School, who kindly offered their space at no charge. Being able to deliver this workshop in the centre of the borough meant it was accessible to the maximum number of children. The performance was recorded and the recording was sent to the pupils. It was another high-quality event, with lots of excellent professional development for HMS string staff as part of the day.

#### **Sandhurst Military Band Day at Norden Farm Centre for the Arts**

Our relationship with British Army music continues to develop and during March 2023 approximately 50 young brass and wind players travelled to Maidenhead to take part in a fully funded day of side-by-side workshops with Sandhurst Army Band. During the day there was a mixture of activities including playing, listening and rehearsing during the day. The performance was again recorded and shared with schools. The event was fully funded by the Army who even funded a much discussed, healthy lunch.

#### **Funding from other sources**

London Music Fund (LMF) continue to provide funding for scholars and awarded scholarships to a new cohort in 2022. In Hounslow every LMF scholar is joined by another child to share their lesson, and this is known as our Shadow Scholar scheme. We have found that children who share their lessons in the early stages of learning are more likely to continue to play their instrument, particularly if the scholars are from the same school. Two former Hounslow scholars were awarded scholarships to the Royal Academy of Music starting in September 2023.

# HOUNSLOW MUSIC SERVICE

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

For the year ended 31 March 2023

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### Instrument Hire Scheme

During 2022/23, HMS placed 3695 instruments in primary schools to provide whole class lessons for children at no charge. A further 166 instruments were placed in secondary schools to support music leaders there to deliver their curriculum. In addition to these we placed buckets and spoons, boom whackers, xylophones and djembes in schools to support the TuneIN programme.

The annual programme of mouthpiece, slide and instrument cleaning and repair resumed during the year alongside replacement of asset tags that had fallen off.

### Events

#### End of term and chamber concerts

2022/23 saw a return to normal end of term concerts where no distancing was required, and with normal levels of attendance.

### Public benefit

The Trustees confirm that, in determining the activities undertaken by HMS, they have had due regard to the public benefit requirement, and the guidance published by the Charity Commission. We have reviewed all our programmes against the public benefit requirement in 2022/23 and confirmed that all activities we invest in deliver public benefit, in the form of advancing education and the arts or increasing access to music-making from under-represented groups within the Borough of Hounslow. Any private benefit - for example for individuals benefiting from our bursary scheme - is incidental to the wider public benefit of removing barriers to accessing music. All new projects and programmes will be carefully reviewed against the public benefit requirement and guidance. The Trustees are satisfied that the public benefit requirement is met in respect of all Hounslow Music Service's activity.

### Financial review

Taking into account income and expenditure, the charity realised an operational surplus of £24,790 for the year. The net movement for the year was an increase of £24,790 in total charity's funds.

Teaching within and outside school has recovered well and trustees were pleased to generate a surplus of £24,790. As Covid restrictions have been removed performances have resumed although we are still not charging entry. We are mindful that many Hounslow families have been badly affected financially by the damage to hospitality and tourism, and so there are increased requests for assistance. Trustees are creating a new bursary fund to support more children and young people, for whom finance could be a barrier, to continue with their music making, and this surplus will be used to support this.

Total fund balances as at 31 March 2023 were £407,199, of which £162,250 related to the revaluation reserve and the general unrestricted funds stood at £244,949.

Total income for the year from grant monies and tuition fees was £1,416,854 increasing from £1,295,734 last year. Total expenditure of £1,394,079 increasing from £1,267,856 last year, of which £13,345 (2022: £12,217) related to the governance of the charitable company.

### Risk management

The Trustees have prepared a Risk Register, which is regularly reviewed and was substantially refined in 2022 to make it a more effective document that can inform decision-making on a regular basis. The two main risks that the Trustees have identified are a reduction - in real or cash terms - in the size of the core grant, and the risks associated with the current reorganisation of Music Hubs by the Arts Council for England and the Department for Education. We have put in place mitigations to help reduce the impact of these and the other lower-severity risks that we have identified and are confident that risk is well-managed within HMS. The Board, supported by the Finance, Risk and Audit Committee, keep this under close review on a regular basis.

### Going concern assessment

*The Trustees are satisfied that the financial statements of Hounslow Music Service should be prepared on a going concern basis. HMS generated a surplus during the year ended 31<sup>st</sup> March '23, increasing its reserves to over £400K at the balance sheet date. The reserves and cashflows should continue to increase in the coming years.*

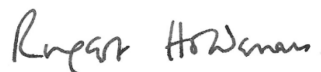
# **HOUNSLOW MUSIC SERVICE**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

**For the year ended 31 March 2023**

---

The Trustees' report was approved by the Board Of Trustees on 18 December 2023 and signed on its behalf by:



**C R C Holderness**

Chair of trustees

# **HOUNSLOW MUSIC SERVICE**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**For the year ended 31 March 2023**

---

The trustees (who are also directors of Hounslow Music Service for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charity SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

# HOUNSLOW MUSIC SERVICE

## INDEPENDENT AUDITOR'S REPORT

### TO THE BOARD OF TRUSTEES OF HOUNSLOW MUSIC SERVICE

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#### Opinion

We have audited the financial statements of Hounslow Music Service (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board Of Trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Board Of Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

# **HOUNSLOW MUSIC SERVICE**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE BOARD OF TRUSTEES OF HOUNSLOW MUSIC SERVICE**

---

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Board Of Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

#### **Responsibilities of Board Of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Board Of Trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board Of Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board Of Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board Of Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 476 of the Companies Act 2006 and section 144 of the Charities Act 2011 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and posting inappropriate journal entries to manipulate the fair value of the company's assets.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation where relevant, review of Directors meeting minutes, enquiries with management as to the risks of non-compliance and any instances thereof, challenging assumptions and judgments made by management, and identifying and testing journal entries, in particular any journal entries posted with unusual account combinations. Our audit procedures also focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less like we are to become aware of it.

# **HOUNSLOW MUSIC SERVICE**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE BOARD OF TRUSTEES OF HOUNSLOW MUSIC SERVICE**

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The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.  
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*WSM Advisors Limited*

**Wendy Patterson (Senior Statutory Auditor)  
for and on behalf of WSM Advisors Limited**

19 December 2023

**Chartered Accountants  
Statutory Auditor**

Connect House  
133-137 Alexandra Road  
Wimbledon  
London  
SW19 7JY

# HOUNSLOW MUSIC SERVICE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2023

|                                                           | Notes | Unrestricted<br>funds<br>2023<br>£ | Restricted<br>funds<br>2023<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|-----------------------------------------------------------|-------|------------------------------------|----------------------------------|--------------------|--------------------|
| <b><u>Income and endowments from:</u></b>                 |       |                                    |                                  |                    |                    |
| Donations and legacies                                    | 3     | 14,273                             | 401,918                          | 416,191            | 401,698            |
| Charitable activities                                     | 4     | 999,487                            | -                                | 999,487            | 878,579            |
| Other income                                              | 5     | 1,176                              | -                                | 1,176              | 15,457             |
| <b>Total income</b>                                       |       | <b>1,014,936</b>                   | <b>401,918</b>                   | <b>1,416,854</b>   | <b>1,295,734</b>   |
| <b><u>Expenditure on:</u></b>                             |       |                                    |                                  |                    |                    |
| Charitable activities                                     | 6     | 1,394,079                          | -                                | 1,394,079          | 1,267,856          |
| <b>Net (expense)/income resources before transfers</b>    |       | <b>(379,143)</b>                   | <b>401,918</b>                   | <b>22,775</b>      | <b>27,878</b>      |
| Gross transfers between funds                             |       | 401,918                            | (401,918)                        | -                  | -                  |
| <b>Net income for the year/<br/>Net movement in funds</b> |       | <b>22,775</b>                      | <b>-</b>                         | <b>22,775</b>      | <b>27,878</b>      |
| Fund balances at 1 April 2022                             |       | 384,424                            | -                                | 384,424            | 356,546            |
| <b>Fund balances at 31 March 2023</b>                     |       | <b>407,199</b>                     | <b>-</b>                         | <b>407,199</b>     | <b>384,424</b>     |

The statement of financial activities includes all gains and losses recognised in the year.

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

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

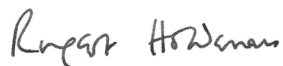
# HOUNSLOW MUSIC SERVICE

## BALANCE SHEET

As at 31 March 2023

|                                                                | Notes | 2023<br>£ | £       | 2022<br>£ | £        |
|----------------------------------------------------------------|-------|-----------|---------|-----------|----------|
| <b>Fixed assets</b>                                            |       |           |         |           |          |
| Tangible assets                                                | 11    |           | 162,250 |           | 158,016  |
| <b>Current assets</b>                                          |       |           |         |           |          |
| Debtors                                                        | 12    | 31,271    |         | 8,994     |          |
| Cash at bank and in hand                                       |       | 320,992   |         | 371,183   |          |
|                                                                |       | 352,263   |         | 380,177   |          |
| <b>Creditors: amounts falling due within one year</b>          | 14    | (107,314) |         | (113,769) |          |
| Net current assets                                             |       |           | 244,949 |           | 266,408  |
| <b>Total assets less current liabilities</b>                   |       |           | 407,199 |           | 424,424  |
| <b>Creditors: amounts falling due after more than one year</b> | 15    |           | -       |           | (40,000) |
| <b>Net assets</b>                                              |       |           | 407,199 |           | 384,424  |
| <b>Income funds</b>                                            |       |           |         |           |          |
| <u>Unrestricted funds</u>                                      |       |           |         |           |          |
| Designated funds                                               | 18    | 109,492   |         | 127,793   |          |
| General unrestricted funds                                     |       | 297,707   |         | 256,631   |          |
|                                                                |       |           | 407,199 |           | 384,424  |
| <b>Total charity funds</b>                                     |       |           | 407,199 |           | 384,424  |

The accounts were approved by the Board Of Trustees on 18 December 2023



C R C Holderness  
Trustee

Company Registration No. 09947772

# HOUNSLOW MUSIC SERVICE

## STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

|                                                             | Notes | 2023<br>£ | £        | 2022<br>£ | £        |
|-------------------------------------------------------------|-------|-----------|----------|-----------|----------|
| <b>Cash flows from operating activities</b>                 |       |           |          |           |          |
| Cash generated from operations                              | 24    |           | 17,534   |           | 112,581  |
| <b>Investing activities</b>                                 |       |           |          |           |          |
| Purchase of tangible fixed assets                           |       | (28,420)  |          | (3,065)   |          |
| Proceeds on disposal of tangible fixed assets               |       | 1,575     |          | -         |          |
|                                                             |       |           |          |           |          |
| <b>Net cash used in investing activities</b>                |       |           | (26,845) |           | (3,065)  |
| Repayment of borrowings                                     |       | (40,880)  |          | (41,000)  |          |
|                                                             |       |           |          |           |          |
| <b>Net cash used in financing activities</b>                |       |           | (40,880) |           | (41,000) |
|                                                             |       |           |          |           |          |
| <b>Net (decrease)/increase in cash and cash equivalents</b> |       |           | (50,191) |           | 68,516   |
|                                                             |       |           |          |           |          |
| Cash and cash equivalents at beginning of year              |       |           | 371,183  |           | 302,667  |
|                                                             |       |           |          |           |          |
| <b>Cash and cash equivalents at end of year</b>             |       |           | 320,992  |           | 371,183  |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

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### 1 Accounting policies

#### Charity information

Hounslow Music Service is a private company limited by guarantee incorporated in England and Wales. The registered office is 64A Pears Road, Hounslow, London, TW3 1SR. The company is also a registered charity with registration number 1165778.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the charitable company's memorandum and articles, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (as amended for accounting periods commencing from 1 January 2016). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have undertaken an assessment of the adequacy of the resources available to the charity. The trustees have a reasonable expectation the charity has adequate resources to continue in operational existence for the foreseeable future accordingly continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Board Of Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charitable company.

#### 1.4 Incoming resources

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Grants receivable and local authority fees are credited to the statement of financial activities in the period to which they relate. A liability for any repayment is recognised when there is uncertainty.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Incoming resources represent tuition fees and income from concerts, tours, hire of instruments, subscriptions, training and other services rendered during the year. Donations and other income are included in the year in which they are received.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Resources expended are recognised in the year in which they are incurred. Resources expended include attributable Value Added Tax which cannot be recovered.

##### Expenditure for charitable purposes

Direct charitable expenditure includes all expenditure directly related to the objectives of the charitable company and comprises the costs of providing instrumental tuition, concert performances, tours, and education and community projects undertaken by the charitable company and is accounted for when payable. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

##### Governance costs

Governance costs represent expenditure incurred in the management of the charitable company's assets, organisational administration and compliance with constitutional and statutory requirements.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                     |                                                    |
|---------------------|----------------------------------------------------|
| Musical instruments | Over 5-50 years on a straight line basis per annum |
| Office equipment    | Over 3 years on a straight line basis per annum    |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

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### 1 Accounting policies

(Continued)

#### 1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### *Basic financial liabilities*

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The charitable company contributes to the Teachers' Pension Scheme on behalf of the teaching staff and also contributes to defined contribution pension schemes which have been arranged for members of staff, who are not eligible to join the Teachers' Pension Scheme.

Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charitable company in the year.

#### 1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

### 2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the Board Of Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

|                                                 | Unrestricted<br>funds | Restricted<br>funds | Total<br>2023  | Total<br>2022  |
|-------------------------------------------------|-----------------------|---------------------|----------------|----------------|
|                                                 | £                     | £                   | £              | £              |
| Donations and gifts                             | 14,273                | -                   | 14,273         | -              |
| Grant receivable for core activities            | -                     | 401,918             | 401,918        | 401,698        |
|                                                 | <u>14,273</u>         | <u>401,918</u>      | <u>416,191</u> | <u>401,698</u> |
| <b>Donations and gifts</b>                      |                       |                     |                |                |
| Donated musical instruments                     | 14,273                | -                   | 14,273         | -              |
|                                                 | <u>14,273</u>         | <u>-</u>            | <u>14,273</u>  | <u>-</u>       |
| <b>Grants receivable for core activities</b>    |                       |                     |                |                |
| Department of Education - Music Education Grant | -                     | 391,590             | 391,590        | 392,978        |
| Mayor's Music Fund                              | -                     | 10,328              | 10,328         | 8,720          |
|                                                 | <u>-</u>              | <u>401,918</u>      | <u>401,918</u> | <u>401,698</u> |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

### 4 Charitable activities

|                                         | School<br>Income<br>£ | Parental<br>Income<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|-----------------------------------------|-----------------------|-------------------------|--------------------|--------------------|
| <b>Income from:</b>                     |                       |                         |                    |                    |
| Music education                         | 726,896               | 272,591                 | 999,487            | 878,579            |
| Analysis by fund                        |                       |                         |                    |                    |
| <b>For the year ended 31 March 2023</b> |                       |                         |                    |                    |
| Unrestricted funds                      | 726,896               | 272,591                 | 999,487            |                    |
| <b>For the year ended 31 March 2022</b> |                       |                         |                    |                    |
| Unrestricted funds                      | 655,158               | 223,421                 |                    | 878,579            |

### 5 Other income

|                                  | Total Unrestricted<br>funds |           |
|----------------------------------|-----------------------------|-----------|
|                                  | 2023<br>£                   | 2022<br>£ |
| Other income                     | 1,176                       | 1,699     |
| Coronavirus Job Retention Scheme | -                           | 13,758    |
|                                  | 1,176                       | 15,457    |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

### 6 Charitable activities

|                                        | 2023             | 2022             |
|----------------------------------------|------------------|------------------|
|                                        | £                | £                |
| <b>Expenditure on:</b>                 |                  |                  |
| Staff costs                            | 949,144          | 851,423          |
| Depreciation and impairment            | 22,612           | 41,008           |
| Direct costs                           | 114,172          | 66,105           |
|                                        | <u>1,085,928</u> | <u>958,536</u>   |
| Share of support costs (see note 7)    | 294,806          | 297,103          |
| Share of governance costs (see note 7) | 13,345           | 12,217           |
|                                        | <u>1,394,079</u> | <u>1,267,856</u> |
| <b>Analysis by fund</b>                |                  |                  |
| Unrestricted funds                     | <u>1,394,079</u> | <u>1,267,856</u> |
|                                        | <u>1,394,079</u> | <u>1,267,856</u> |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

### 7 Support costs allocated to activities

|                                            | Support Costs | Governance Costs | 2023           | 2022           |
|--------------------------------------------|---------------|------------------|----------------|----------------|
|                                            | £             | £                | £              | £              |
| Staff costs                                | 168,973       | -                | 168,973        | 176,634        |
| Telephone & Internet                       | 2,966         | -                | 2,966          | 3,476          |
| Bank fees                                  | 849           | -                | 849            | 3,476          |
| Cleaning and refuse collection             | 11,523        | -                | 11,523         | 10,136         |
| Consulting                                 | 5,720         | -                | 5,720          | -              |
| General expenses                           | 12,129        | -                | 12,129         | 17,123         |
| IT costs                                   | 48,309        | -                | 48,309         | 47,460         |
| Utilities                                  | 19,796        | -                | 19,796         | 8,265          |
| Printing, postage & stationery             | 3,563         | -                | 3,563          | 994            |
| Rent                                       | 5,764         | -                | 5,764          | 3,000          |
| Interest paid                              | 880           | -                | 880            | 1,000          |
| Audit fees                                 | -             | 13,345           | 13,345         | 12,217         |
| Insurance                                  | 2,549         | -                | 2,549          | 2,480          |
| Travel                                     | 2,208         | -                | 2,208          | 2,400          |
| Payroll admin                              | 3,540         | -                | 3,540          | 3,572          |
| Rates                                      | 5,683         | -                | 5,683          | 5,683          |
| Advertising & Marketing                    | 354           | -                | 354            | 828            |
| Instrument repair and replacement -schools | -             | -                |                | 10,576         |
|                                            |               |                  | <u>308,151</u> | <u>309,320</u> |
| <b>Analysed between:</b>                   |               |                  |                |                |
| Charitable activities                      | 294,806       | 13,345           | <u>308,151</u> | <u>309,320</u> |

These costs are wholly attributable to charitable activities and are allocated based on the trustees' estimate of the appropriate proportion attributable to each activity.

### 8 Board Of Trustees

During the year, a negligible sum of £253 was recharged for legitimate trustee expenses. These were incurred for the purposes of supplying board meeting refreshments.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

### 9 Employees

#### Number of employees

The average monthly number of employees during the year was:

|                             | 2023<br>Number | 2022<br>Number |
|-----------------------------|----------------|----------------|
| Teaching staff              | 71             | 60             |
| Management & Administration | 7              | 9              |
|                             | <u>78</u>      | <u>69</u>      |

#### Employment costs

|                       | 2023<br>£        | 2022<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 924,965          | 858,822          |
| Social security costs | 60,092           | 43,213           |
| Other pension costs   | 133,060          | 126,022          |
|                       | <u>1,118,117</u> | <u>1,028,057</u> |

The number of employees whose annual remuneration was £60,000 or more were:

|                    | 2023<br>Number | 2022<br>Number |
|--------------------|----------------|----------------|
| £60,001 to £70,000 | 1              | 1              |

### 10 Taxation

The charitable company is exempt from corporation tax on its charitable activities.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

### 11 Tangible fixed assets

|                                    | Musical<br>instruments<br>£ | Office<br>equipment<br>£ | Total<br>£ |
|------------------------------------|-----------------------------|--------------------------|------------|
| <b>Cost</b>                        |                             |                          |            |
| At 1 April 2022                    | 306,605                     | 27,547                   | 334,152    |
| Additions                          | 21,484                      | 6,936                    | 28,420     |
| Disposals                          | (4,500)                     | -                        | (4,500)    |
| At 31 March 2023                   | 323,589                     | 34,483                   | 358,072    |
| <b>Depreciation and impairment</b> |                             |                          |            |
| At 1 April 2022                    | 152,899                     | 20,311                   | 173,210    |
| Depreciation charged in the year   | 18,301                      | 7,236                    | 25,537     |
| Eliminated in respect of disposals | (2,925)                     | -                        | (2,925)    |
| At 31 March 2023                   | 168,275                     | 27,547                   | 195,822    |
| <b>Carrying amount</b>             |                             |                          |            |
| At 31 March 2023                   | 155,314                     | 6,936                    | 162,250    |
| At 31 March 2022                   | 153,706                     | 4,310                    | 158,016    |

### 12 Debtors

|                                             | 2023<br>£ | 2022<br>£ |
|---------------------------------------------|-----------|-----------|
| <b>Amounts falling due within one year:</b> |           |           |
| Trade debtors                               | 23,571    | 8,994     |
| Prepayments and accrued income              | 7,700     | -         |
|                                             | 31,271    | 8,994     |

### 13 Loans and overdrafts

|                         | 2023<br>£ | 2022<br>£ |
|-------------------------|-----------|-----------|
| Other loans             | 40,000    | 80,000    |
| Payable within one year | 40,000    | 40,000    |
| Payable after one year  | -         | 40,000    |

The charitable company entered a loan agreement with London Borough of Hounslow on 29 April 2016. The long-term loan is non-secured.

The loan interest is at the rate of 1% above the base lending rate from Bank of England. During the 2017/2018 year, repayment terms were revised; stating repayment of five tranches of £40,000 over a 5 year period with the first repayment due in July 2019.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

### 14 Creditors: amounts falling due within one year

|                              | Notes | 2023<br>£      | 2022<br>£      |
|------------------------------|-------|----------------|----------------|
| Borrowings                   |       | 40,000         | 40,000         |
| Deferred income              | 16    | 9,154          | 23,909         |
| Trade creditors              |       | 26,823         | 6,018          |
| Other creditors              |       | 16,355         | 17,194         |
| Accruals and deferred income |       | 14,982         | 26,648         |
|                              |       | <u>107,314</u> | <u>113,769</u> |

### 15 Creditors: amounts falling due after more than one year

|            | 2023<br>£ | 2022<br>£     |
|------------|-----------|---------------|
| Borrowings | -         | 40,000        |
|            | <u>-</u>  | <u>40,000</u> |

### 16 Deferred income

|                                     | 2023<br>£    | 2022<br>£     |
|-------------------------------------|--------------|---------------|
| Arising from tour income in advance | 9,154        | 23,909        |
|                                     | <u>9,154</u> | <u>23,909</u> |

Deferred income is included in the financial statements as follows:

|                     | 2023<br>£    | 2022<br>£     |
|---------------------|--------------|---------------|
| Current liabilities | 9,154        | 23,909        |
|                     | <u>9,154</u> | <u>23,909</u> |

### 17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

|       | Balance at 1<br>April 2022<br>£ | Incoming<br>resources<br>£ | Movement in funds<br>Resources<br>expended<br>£ | Transfers<br>£   | Balance at 31<br>March 2023<br>£ |
|-------|---------------------------------|----------------------------|-------------------------------------------------|------------------|----------------------------------|
| Grant | -                               | 401,918                    | -                                               | (401,918)        | -                                |
|       | <u>-</u>                        | <u>401,918</u>             | <u>-</u>                                        | <u>(401,918)</u> | <u>-</u>                         |

The transfer represented the costs incurred for the core activities relating directly to the grant monies received.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

### 18 Designated funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

|                                    | Balance at 1<br>April 2022 | Movement in funds          |                            | Balance at 31<br>March 2023 |
|------------------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
|                                    | £                          | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | £                           |
| Revaluation of Musical Instruments | 127,793                    | -                          | (18,301)                   | 109,492                     |
|                                    | <u>127,793</u>             | <u>-</u>                   | <u>(18,301)</u>            | <u>109,492</u>              |

The resources expended represent the depreciation cost for the musical instruments.

### 19 Analysis of net assets between funds

|                                                    | Unrestricted<br>£ | Restricted<br>£ | Total<br>£     |
|----------------------------------------------------|-------------------|-----------------|----------------|
| Fund balances at 31 March 2023 are represented by: |                   |                 |                |
| Tangible assets                                    | 162,250           | -               | 162,250        |
| Current assets/(liabilities)                       | 244,949           | -               | 244,949        |
|                                                    | <u>407,199</u>    | <u>-</u>        | <u>407,199</u> |

### 20 Operating lease commitments

#### Lessee

The operating lease represents the lease of part of the ground floor and all of the first floor of 64 Pears Road. The inception of the lease was on 4th January 2017. The lease is negotiated at a rent of £3,000 per annum over 20 years and rentals are fixed for 5 years. The rent will be reviewed upwards every 5 years by between 2 and 4%, whichever is closer to the level of inflation, for the entire 20 year lease. There is no stated commitment period in the lease contract.

### 21 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

|                        | 2023<br>£     | 2022<br>£     |
|------------------------|---------------|---------------|
| Aggregate compensation | <u>61,778</u> | <u>60,458</u> |

An amount of £10,328 was received during the year (PY: £8,720) from the London Music Fund, of which one Hounslow Music Service director, Oonagh Barry, was a director of up until resignation on 5th July 2022. The amount was fully paid during the year and there is no amount outstanding at the balance sheet date. This amount relates to a scholarship grant.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

### 22 Pension schemes

#### Teachers Pension Scheme

The charity participates in the Teachers' Pension Scheme (the "TPS"), for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £114,376.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2016, and the valuation report, which was published in September 2019. The employers contribution rate increased to 23.68%. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.76%. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

#### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme and took on by the charitable company as part of the transfer. The LGPS is closed to the charitable company so no new members can be admitted from the point of externalisation. By March 2018 just two members of staff remain, approximately 1.3FTE. The scheme would continue until the last member leaves the charitable company. The total contribution made in the year was £19,139.

### 23 Company limited by guarantee

The liability of the members is limited. Every member undertakes to contribute an amount not exceeding £1 to the assets of the company, in the event of the company being wound up whilst they are a member, or within one year after ceasing to be a member, for the payment of the debts and liabilities of the company contracted before ceasing to be a member.

| 24 Cash generated from operations                    | 2023<br>£     | 2022<br>£      |
|------------------------------------------------------|---------------|----------------|
| Surplus for the year                                 | 22,775        | 27,878         |
| Adjustments for:                                     |               |                |
| Depreciation and impairment of tangible fixed assets | 22,612        | 41,008         |
| Loan interest provision                              | 880           | 1,000          |
| Movements in working capital:                        |               |                |
| (Increase)/decrease in debtors                       | (22,278)      | 34,394         |
| Increase in creditors                                | 8,300         | 12,047         |
| (Decrease) in deferred income                        | (14,755)      | (3,746)        |
| <b>Cash generated from operations</b>                | <b>17,534</b> | <b>112,581</b> |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

### 25 Analysis of cash and cash equivalents

|              | 2023<br>£      | 2022<br>£      |
|--------------|----------------|----------------|
| Cash in hand | 320,992        | 371,183        |
|              | <u>320,992</u> | <u>371,183</u> |

### 26 Analysis of changes in net funds

|                                            | At 1 April 2022<br>£ | Cash flows<br>£ | At 31 March 2023<br>£ |
|--------------------------------------------|----------------------|-----------------|-----------------------|
| Cash at bank and in hand                   | 371,183              | (50,191)        | 320,992               |
| Loans falling due within one year          | (40,000)             | -               | (40,000)              |
| Loans falling due after more than one year | (40,000)             | 40,000          | -                     |
|                                            | <u>291,183</u>       | <u>(10,191)</u> | <u>280,992</u>        |

**HOUNSLOW MUSIC SERVICE**

England & Wales - Charity number 1165778

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# Accounts

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Charity registration number 1165778

Company registration number 09947772 (England and Wales)

## **HOUNSLOW MUSIC SERVICE**

**Annual report and financial statements**

**For the year ended 31 March 2022**

**Pages for filing with registrar**

# HOUNSLOW MUSIC SERVICE

## LEGAL AND ADMINISTRATIVE INFORMATION

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|                          |                                                                                                                         |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------|
| <b>Board Of Trustees</b> | O M Barry<br>T J Bruce<br>C W Hill<br>C R C Holderness<br>S J Shotton<br>C P Salters<br>Dr P K Basra<br>T G F Sylvester |
| <b>Charity number</b>    | 1165778                                                                                                                 |
| <b>Company number</b>    | 09947772                                                                                                                |
| <b>Principal address</b> | 64A Pears Road<br>Hounslow<br>London<br>TW3 1SR                                                                         |
| <b>Registered office</b> | 64A Pears Road<br>Hounslow<br>London<br>TW3 1SR                                                                         |
| <b>Auditor</b>           | WSM Advisors Limited<br>Connect House<br>133-137 Alexandra Road<br>London<br>SW19 7JY                                   |
| <b>Bankers</b>           | Barclays Bank plc                                                                                                       |

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# HOUNSLOW MUSIC SERVICE

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# HOUNSLOW MUSIC SERVICE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

For the year ended 31 March 2022

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The trustees, who are also the directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: 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) (effective 1 January 2015).

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's memorandum and articles, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (as amended for accounting periods commencing from 1 January 2016).

### Our Purpose and Activities

The company's charitable objects are set out in its Memorandum and Articles of Association. The principal objective of the company is to provide the highest quality musical opportunities for children, young people and others in and around the London Borough of Hounslow.

Our mission is to encourage participation, enjoyment and achievement by providing the highest quality learning opportunities in music and the performing arts.

### Review of the year and plans for the future

#### Arts Council England

As lead organisation for the local Music Education Hub, Hounslow Music Service (HMS) continues to fully implement the National Plan for Music Education (NPME), undertaking all the core and extension roles as detailed in the plan. A strong and supportive relationship continues with Arts Council England (ACE) who distribute funding on behalf of the Department for Education (DfE). A significant amount of background information and statistical data is provided to ACE on a regular basis to secure the release of grant payments.

The Annual feedback letter was received from ACE in January 2022. It assessed progress during 2021/22 and proposed the level of contact during 2022/23. A number of strengths were identified:

- *Despite the unprecedented challenges of C19, HMS demonstrated admirable resilience, delivered well against core/extension roles and informed by thorough needs analysis, provided a high quality/inclusive offer. Key achievements include increases in core roles (to 88.5%) singing (to 74%) and SMEP (to 83%) which are all above national averages. HMS also delivered an excellent alternative online whole class programme (Music for Wellbeing) which had wide reach and along with a comprehensive range of online initiatives/resources plus strong support for schools/families, effectively sustained school engagement and led to impressive school buy back in Autumn 21 (20% higher than pre C19). Similarly, following a halt in regular ensemble activity, normal uptake has resumed since May 21. Equality diversity and inclusion (EDI) remain a key driver for HMS, particularly evident in its increasing commitment to youth voice, the Youth Music funded EYFS programme (exploring belonging, culture, identity) and the high proportion of pupils from disadvantaged/ethnically diverse backgrounds in the Saturday Academy. Plans to a pilot an Open Orchestra are also encouraging and progressing well. Despite some school reticence, use of music technology expanded considerably with HMS adapting very well and creating an impressive comprehensive and inclusive online offer which achieved extensive reach/engagement and included free programmes delivered via Charanga for all primary/SEND schools plus additional materials for disadvantaged children and those unable to access provision via schools. We welcome plans to research the impact of digital learning during C19 with SWLMEP which will provide valuable opportunities for shared learning. HMS also maintained its extensive/free instrument pool and generous remissions to pupils in need, successfully delivered ABRSM/Trinity exams and created a new primary curriculum framework which effectively supports the new Model Music and statutory curricula.*

# HOUNSLOW MUSIC SERVICE

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

For the year ended 31 March 2022

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- HMS continued to demonstrate effective governance and management throughout the year with impressive leadership from the Head of Service and strong support from the board. In addition, appropriate use was made of coronavirus support schemes including the Coronavirus Job Retention and Kickstarter initiatives with the latter supporting the appointment of two apprentices from diverse backgrounds and with wide ranging experience who have made a significant contribution to HMS, particularly influencing its approach to youth voice and EDI. Alongside this and in addition to schools and families, HMS maintained strong relationships with Hounslow Council and a good range of other partners including EFDSS, the London Music Fund and the SWLMEP\* who have met regularly online providing an invaluable support network. In addition, HMS again demonstrated positive community engagement, delivering online events to isolated older people in care settings.
- HMS again managed its finances very well during 20/21. There remains a healthy mixed funding model with the hub grant comprising 35.49% of income and 64.51% from other sources, well above the national average and including school/parent income, other earned income and Youth Music funds (supporting the EYFS initiative in partnership with Croydon Music and Arts and EFDSS). Projections for 21/22 are encouraging with a further modest surplus expected. As well as careful use of the Coronavirus Job Retention Scheme, this positive financial position clearly reflects the impact of HMS's outstanding support for schools and families during the pandemic plus proactive use of social media resulting in high demand for core services and strong buyback since September 21, particularly for WCET.

(Source: HMS Feedback letter, Arts Council England, January 2022)

ACE has assessed the level of risk attached to the allocated DfE funding as minor risk for Hounslow, requiring a minimal level of monitoring and contact during the 2021/22 academic year.

### **\*South West London Music Education Partnership (SWLMEP)**

SWLMEP is an informal partnership of seven South West London boroughs, comprising Croydon Music and Arts, Hounslow Music Service, Kingston Music Service, Merton Music Foundation, Richmond Music Trust, Sutton Music Service and Wandsworth Music. This group has worked collaboratively for more than 20 years, providing joint training days, joint projects, training for middle and senior leaders as well as sharing resources like instruments, curriculum documents and policies. The group has endured through changes in leadership across the region.

Although the local education offer must be informed by local need, there are times when it makes more sense to collaborate across a wider area, and SWLMEP has facilitated this. The partnership is currently engaged in a Digital project to support young people to learn how technology can support their music making. We are also discussing how, should the new funding model require this, we could formalise SWLMEP to become a vehicle for a joint bid for future funding.

### **HMS 2021/22 – the year in numbers**

#### Schools where HMS delivered core roles of the National Plan for Music

|                                     |     |
|-------------------------------------|-----|
| Primary Schools                     | 94% |
| Secondary Schools                   | 72% |
| Others                              | 75% |
| Schools where HMS supported singing | 86% |

|                                   |              |
|-----------------------------------|--------------|
| Number of pupils in First Access  | 4,540 pupils |
| Number of pupils continuing       | 945 pupils   |
| Total pupils taught weekly by HMS | 6,997 pupils |

#### HMS support for schools through online platforms

|                                                |                |
|------------------------------------------------|----------------|
| Number of hours of teacher engagement          | 11,468 hours   |
| Individual students accessing online resources | 3,369 students |

# **HOUNSLOW MUSIC SERVICE**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

**For the year ended 31 March 2022**

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### **First Access to music**

As a core role of the NPME, enabling access to instrumental music making for all children is a priority. Autumn 2021 saw greater willingness in schools to allow pupils to play wind instruments and resume singing activities. Headteachers wrote to us to say how lovely it was to hear music back in their schools again.

### **Continuation beyond first access**

Until 2020, continuation was an identified strength of HMS with numbers continuing beyond first access significantly above national averages. This dropped significantly in 2020/21 and again in 2021/22. The lack of in person teaching, performances within schools and extra projects has affected uptake. It is likely to be another year before we see a full recovery in continuation numbers.

Numbers of children learning in small group lessons has continued to recover, although the economic shocks caused by the pandemic has also had an impact. Hounslow, as a borough that earns its living from hospitality and aviation and their associated industries, has been more profoundly affected by the pandemic than other areas with a greater mix of industries.

### **Music Centres, Schools and Academy**

Saturday Music Academy numbers stabilised during 2021/22, with several new teachers joining enabling us to respond to waiting lists.

Ensembles also returned during summer 2021, initially with reduced numbers and distancing; however, we were able to run concerts at the end of term which was a great treat.

### **Examinations**

Demand for instrumental and vocal examinations was high, particularly for those pupils who had been waiting to take their Grade 8 and were leaving for university. We were able to run a very safe examination centre in July 2021, and again in February 2022. A total of 143 pupils took examinations

### **Support for Schools**

Hounslow Music Service has been invited by the Hounslow Education Partnership to lead the primary music network meetings. Although these have remained online, schools have reported that they have found the training and content useful.

Hounslow Music Service also attends the Secondary Network meetings, which are run by a local Head of Music, supported by the service.

During 2021/22, HMS created a primary curriculum framework to support schools to develop, deliver and evidence their school music curriculum. The service also funds all Hounslow Primary and Special schools to access Charanga resources free of charge, and broker training for schools to use these.

### **Funding from other sources**

London Music Fund (LMF) continue to provide funding for scholars and awarded scholarships to a new cohort in 2021. HMS operates a shadow scholar scheme where a second scholar is supported from within Hounslow and shares a lesson with the LMF pupil, thereby doubling the impact of the LMF funding.

### **Instrument Hire Scheme**

In a normal year HMS would provide around 5,000 instruments free of charge to pupils engaged in the Whole Class Instrumental Programme or on continuation programmes at Primary Schools. During 2020/21, instead of providing tenor horns, trombones, trumpets, clarinets, ukuleles, percussion packs, violins, violas and recorders, we were providing buckets, spoons, boom whackers and djembes. Most schools wanted to start the academic year with our Music for Wellbeing programme, which had a mixture of activities including body percussion and mindfulness. During 2021/22, whole class programmes resumed in most schools where they had run before the pandemic. In addition to traditional whole class programmes using band and orchestral instruments, we also offer our new TuneIn programme, which has been very popular. TuneIn uses a range of simpler instruments across the year, providing an opportunity of children to develop music skills without the distraction of the technical aspects of playing more complex instruments. We are pleased to be able to offer this alongside our traditional whole class programmes, providing an accessible and varied programme of musical education for the children of Hounslow.

# HOUNSLOW MUSIC SERVICE

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

For the year ended 31 March 2022

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There is an annual programme of mouthpiece and trombone slide collection, cleaning and maintenance. This large but important job was hindered by the fact that we were not allowed into schools in Summer 2020. Instead, staff visited schools in September 2021 to collect mouthpieces for cleaning, to oil valves and replace strings. Since instruments had been idle for at least 6 months by then, they were naturally quarantined and so there was no risk of any virus being alive.

Throughout the pandemic, we have operated an onsite and mobile instrument hire and repair service. All instruments returned to HMS were by appointment and were quarantined for 2 weeks, managed by noting the date of return on a sticker on the instrument case. This was carefully managed so no cross contamination could take place. Where pupils had outgrown an instrument, we sized them and issued new instruments, all of which had been unused for at least 2 weeks. We also provided a repair service at our office, although all blown instruments were left out of the case for 3 days before being played, and only then with a cleaned mouthpiece.

### Events

#### End of term and chamber concerts

During 2021/22 we resumed live performances, albeit with strictly reduced audience numbers and with everyone wearing masks. Towards the end of 2022 our concerts were back to pre-pandemic levels in terms of attendance.

Schools have gradually resumed running bands, choirs and orchestras.

#### National Youth Brass Band Championships

In March 2022, after several weekend workshops with young brass players, and with funding from The Arts Society Chiswick, 44 brass players plus 6 staff travelled to Corby to take part in the Debut section of the Championships. It was hugely exciting for both the young musicians, and the parents who made their own way to Corby to support them.

The Brass Band received glowing feedback, as outlined on the event website;

*That sense of inclusivity was boosted by the judges John Barber and Alex Kenyon. They gave hugely encouraging remarks that ensured not one of the 13 bands, or featured player was left out — from the "utter joy" of Hounslow Junior Brass Band with their specially commissioned 'Toot Suite' that reflected on their own area's rich demographic make-up (featuring a brilliant young Dhol drum player), to the "wee little tootlers" of Wantage Youth Brass.*

*In between, each of the ensembles (which ranged in number from 13 to nearly 50), and which featured plenty of non-traditional brass band instruments from trumpets to French horns was a delight, with the MDs picking music that simply showcased enjoyment.*

#### Public benefit

The Trustees confirm that, in determining the activities undertaken by HMS, they have had due regard to the public benefit requirement, and the guidance published by the Charity Commission. We have reviewed all our programmes against the public benefit requirement in 2022 and confirmed that all activities we invest in deliver public benefit, in the form of advancing education and the arts or increasing access to music-making from under-represented groups within the Borough of Hounslow. Any private benefit - for example for individuals benefiting from our bursary scheme - is incidental to the wider public benefit of removing barriers to accessing music. All new projects and programmes will be carefully reviewed against the public benefit requirement and guidance. The Trustees are satisfied that the public benefit requirement is met in respect of all Hounslow Music Service's activity.

# HOUNSLOW MUSIC SERVICE

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

For the year ended 31 March 2022

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### Financial review

Taking into account income and expenditure, the charity realised an operational surplus of £27,878 for the year. The net movement for the year was an increase of £27,878 in total charity's funds.

Teaching within and outside school has recovered well and trustees were pleased to generate a surplus of £27,878. As Covid restrictions have been removed performances have resumed although we are still not charging entry. We are mindful that many Hounslow families have been badly affected financially by the damage to hospitality and tourism, and so there are increased requests for assistance. Trustees are creating a new bursary fund to support more children and young people, for whom finance could be a barrier, to continue with their music making, and this surplus will be used to support this.

Total fund balances as at 31 March 2022 were £384,424, of which £127,793 related to the revaluation reserve and the general unrestricted funds stood at £256,631.

Total income for the year from grant monies and tuition fees was £1,295,734 increasing from £1,142,251 last year. Total expenditure of £1,267,856 increasing from £1,074,556 last year, of which £12,217 (2021: £12,618) related to the governance of the charitable company.

### Risk management

The Trustees have prepared a Risk Register, which is regularly reviewed and was substantially refined in 2022 to make it a more effective document that can inform decision-making on a regular basis. The two main risks that the Trustees have identified are a reduction - in real or cash terms - in the size of the core grant, and the possibility of HMS losing Hub Lead status as part of the forthcoming reorganisation of Music Hubs by the Arts Council for England and the Department for Education. We have put in place mitigations to help reduce the impact of these and the other lower-severity risks that we have identified and are confident that risk is well-managed within HMS. The Board, supported by the Finance, Risk and Audit Committee, keep this under close review on a regular basis.

### Going concern assessment and Covid-19

*The Trustees noted in our last report that Covid-19 and the associated lockdown had had a significant impact on HMS's operation but, nevertheless, the charity remained a going concern at the end of 2020/21. By April 2021, activity had increased to more than 85% of pre-pandemic levels, with a further increase over the summer. By September 2021, the hours of tuition booked were higher even than before the pandemic. The charity has maintained this progress throughout the rest of 2021/22 and, having considered the financial position at the point of signing off this annual report and accounts, the Trustees are satisfied that HMS remains a going concern.*

### Risk management

The directors have prepared a Risk Register which is regularly reviewed.

The key risk that the Charitable Company has identified is the inability to secure or sustain current levels of funding. A number of lower priority risks have also been identified and procedures have been implemented which minimise these identified risks. The Board regularly discuss aspects of the operations to understand and manage the risks it faces and is in the process of refining the risk register to make it a more effective document that can inform decision-making on a regular basis.

The Trustees' report was approved by the Board Of Trustees on ..... and signed on its behalf by:

.....

**C R C Holderness**

Chair of trustees

# **HOUNSLOW MUSIC SERVICE**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**For the year ended 31 March 2022**

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The trustees (who are also directors of Hounslow Music Service for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charity SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

# HOUNSLOW MUSIC SERVICE

## INDEPENDENT AUDITOR'S REPORT

### TO THE BOARD OF TRUSTEES OF HOUNSLOW MUSIC SERVICE

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#### Opinion

We have audited the financial statements of Hounslow Music Service (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board Of Trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Board Of Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

# **HOUNSLOW MUSIC SERVICE**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE BOARD OF TRUSTEES OF HOUNSLOW MUSIC SERVICE**

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#### **Responsibilities of Board Of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Board Of Trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board Of Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board Of Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board Of Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and posting inappropriate journal entries to manipulate the fair value of the company's assets.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation where relevant, review of Directors meeting minutes, enquiries with management as to the risks of non-compliance and any instances thereof, challenging assumptions and judgments made by management, and identifying and testing journal entries, in particular any journal entries posted with unusual account combinations. Our audit procedures also focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less like we are to become aware of it.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **HOUNSLOW MUSIC SERVICE**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE BOARD OF TRUSTEES OF HOUNSLOW MUSIC SERVICE**

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#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Wendy Patterson (Senior Statutory Auditor)**  
**for and on behalf of WSM Advisors Limited**

.....

**Chartered Accountants**  
**Statutory Auditor**

Connect House  
133-137 Alexandra Road  
Wimbledon  
London  
SW19 7JY

WSM Advisors Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# HOUNSLOW MUSIC SERVICE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2022

|                                                           | Notes | Unrestricted<br>funds<br>2022<br>£ | Restricted<br>funds<br>2022<br>£ | Total<br>2022<br>£ | Total<br>2021<br>£ |
|-----------------------------------------------------------|-------|------------------------------------|----------------------------------|--------------------|--------------------|
| <b><u>Income and endowments from:</u></b>                 |       |                                    |                                  |                    |                    |
| Donations and legacies                                    | 3     | -                                  | 401,698                          | 401,698            | 402,420            |
| Charitable activities                                     | 4     | 878,579                            | -                                | 878,579            | 524,294            |
| Other income                                              | 5     | 15,457                             | -                                | 15,457             | 215,537            |
| <b>Total income</b>                                       |       | <b>894,036</b>                     | <b>401,698</b>                   | <b>1,295,734</b>   | <b>1,142,251</b>   |
| <b><u>Expenditure on:</u></b>                             |       |                                    |                                  |                    |                    |
| Charitable activities                                     | 6     | 1,267,856                          | -                                | 1,267,856          | 1,074,556          |
| <b>Net (expense)/income resources before transfers</b>    |       | <b>(373,820)</b>                   | <b>401,698</b>                   | <b>27,878</b>      | <b>67,695</b>      |
| Gross transfers between funds                             |       | 401,698                            | (401,698)                        | -                  | -                  |
| <b>Net income for the year/<br/>Net movement in funds</b> |       | <b>27,878</b>                      | <b>-</b>                         | <b>27,878</b>      | <b>67,695</b>      |
| Fund balances at 1 April 2021                             |       | 356,546                            | -                                | 356,546            | 288,851            |
| <b>Fund balances at 31 March 2022</b>                     |       | <b>384,424</b>                     | <b>-</b>                         | <b>384,424</b>     | <b>356,546</b>     |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# HOUNSLOW MUSIC SERVICE

## BALANCE SHEET

As at 31 March 2022

|                                                                | Notes | 2022<br>£      | £              | 2021<br>£      | £              |
|----------------------------------------------------------------|-------|----------------|----------------|----------------|----------------|
| <b>Fixed assets</b>                                            |       |                |                |                |                |
| Tangible assets                                                | 11    |                | 158,016        |                | 195,960        |
| <b>Current assets</b>                                          |       |                |                |                |                |
| Debtors                                                        | 12    | 8,994          |                | 43,387         |                |
| Cash at bank and in hand                                       |       | 371,183        |                | 302,667        |                |
|                                                                |       | <u>380,177</u> |                | <u>346,054</u> |                |
| <b>Creditors: amounts falling due within one year</b>          | 14    | (113,769)      |                | (105,468)      |                |
| Net current assets                                             |       |                | 266,408        |                | 240,586        |
| <b>Total assets less current liabilities</b>                   |       |                | 424,424        |                | 436,546        |
| <b>Creditors: amounts falling due after more than one year</b> | 15    |                | (40,000)       |                | (80,000)       |
| Net assets                                                     |       |                | <u>384,424</u> |                | <u>356,546</u> |
| <b>Income funds</b>                                            |       |                |                |                |                |
| <u>Unrestricted funds</u>                                      |       |                |                |                |                |
| Designated funds                                               | 17    | 127,793        |                | 161,836        |                |
| General unrestricted funds                                     |       | <u>256,631</u> |                | <u>194,710</u> |                |
|                                                                |       |                | 384,424        |                | 356,546        |
| <b>Total charity funds</b>                                     |       |                | <u>384,424</u> |                | <u>356,546</u> |

# **HOUNSLOW MUSIC SERVICE**

## **BALANCE SHEET (CONTINUED)**

**As at 31 March 2022**

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The Trustees' acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

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

The accounts were approved by the Board Of Trustees on .....

.....

C R C Holderness

**Trustee**

**Company Registration No. 09947772**

# HOUNSLOW MUSIC SERVICE

## STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

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|                                                  | Notes | 2022<br>£ | £        | 2021<br>£ | £        |
|--------------------------------------------------|-------|-----------|----------|-----------|----------|
| <b>Cash flows from operating activities</b>      |       |           |          |           |          |
| Cash generated from operations                   | 23    |           | 112,581  |           | 118,512  |
| <b>Investing activities</b>                      |       |           |          |           |          |
| Purchase of tangible fixed assets                |       | (3,065)   |          | (10,580)  |          |
| <b>Net cash used in investing activities</b>     |       |           | (3,065)  |           | (10,580) |
| Repayment of borrowings                          |       | (41,000)  |          | (49,451)  |          |
| <b>Net cash used in financing activities</b>     |       |           | (41,000) |           | (49,451) |
| <b>Net increase in cash and cash equivalents</b> |       |           | 68,516   |           | 58,481   |
| Cash and cash equivalents at beginning of year   |       |           | 302,667  |           | 244,186  |
| <b>Cash and cash equivalents at end of year</b>  |       |           | 371,183  |           | 302,667  |

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# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

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### 1 Accounting policies

#### Charity information

Hounslow Music Service is a private company limited by guarantee incorporated in England and Wales. The registered office is 64A Pears Road, Hounslow, London, TW3 1SR. The company is also a registered charity with registration number 1165778.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the charitable company's memorandum and articles, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (as amended for accounting periods commencing from 1 January 2016). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have undertaken an assessment of the adequacy of the resources available to the charity as well as the expected support to businesses available from the government measures in place through the period of disruption caused by coronavirus. The trustees have a reasonable expectation the charity has adequate resources to continue in operational existence for the foreseeable future accordingly continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Board Of Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charitable company.

#### 1.4 Incoming resources

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Grants receivable and local authority fees are credited to the statement of financial activities in the period to which they relate. A liability for any repayment is recognised when there is uncertainty.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

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### 1 Accounting policies

(Continued)

Incoming resources represent tuition fees and income from concerts, tours, hire of instruments, subscriptions, training and other services rendered during the year. Donations and other income are included in the year in which they are received.

#### 1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Resources expended are recognised in the year in which they are incurred. Resources expended include attributable Value Added Tax which cannot be recovered.

#### Expenditure for charitable purposes

Direct charitable expenditure includes all expenditure directly related to the objectives of the charitable company and comprises the costs of providing instrumental tuition, concert performances, tours, and education and community projects undertaken by the charitable company and is accounted for when payable. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

#### Governance costs

Governance costs represent expenditure incurred in the management of the charitable company's assets, organisational administration and compliance with constitutional and statutory requirements.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                     |                                                    |
|---------------------|----------------------------------------------------|
| Musical instruments | Over 5-50 years on a straight line basis per annum |
| Office equipment    | Over 3 years on a straight line basis per annum    |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

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### 1 Accounting policies

(Continued)

#### 1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### *Basic financial liabilities*

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The charitable company contributes to the Teachers' Pension Scheme on behalf of the teaching staff and also contributes to defined contribution pension schemes which have been arranged for members of staff, who are not eligible to join the Teachers' Pension Scheme.

Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charitable company in the year.

#### 1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

### 2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the Board Of Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

|                                                 | <b>Total<br/>2022</b> | <b>Total<br/>2021</b> |
|-------------------------------------------------|-----------------------|-----------------------|
|                                                 | <b>£</b>              | <b>£</b>              |
| Grant receivable for core activities            | 401,698               | 402,420               |
|                                                 | <u>401,698</u>        | <u>402,420</u>        |
| <b>Donations and gifts</b>                      | <u>-</u>              | <u>-</u>              |
| <b>Grants receivable for core activities</b>    |                       |                       |
| Department of Education - Music Education Grant | 392,978               | 394,707               |
| Mayor's Music Fund                              | 8,720                 | 7,713                 |
|                                                 | <u>401,698</u>        | <u>402,420</u>        |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

### 4 Charitable activities

|                                         | School<br>Income<br>£ | Parental<br>Income<br>£ | Total<br>2022<br>£ | Total<br>2021<br>£ |
|-----------------------------------------|-----------------------|-------------------------|--------------------|--------------------|
| <b>Income from:</b>                     |                       |                         |                    |                    |
| Music education                         | 655,158               | 223,421                 | 878,579            | 524,294            |
| Analysis by fund                        |                       |                         |                    |                    |
| Unrestricted funds                      | 655,158               | 223,421                 | 878,579            |                    |
| <b>For the year ended 31 March 2021</b> |                       |                         |                    |                    |
| Unrestricted funds                      | 362,801               | 161,493                 |                    | 524,294            |

### 5 Other income

|                                  | Total Unrestricted<br>funds |           |
|----------------------------------|-----------------------------|-----------|
|                                  | 2022<br>£                   | 2021<br>£ |
| Other income                     | 1,699                       | 7,982     |
| Coronavirus Job Retention Scheme | 13,758                      | 207,555   |
|                                  | 15,457                      | 215,537   |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

### 6 Charitable activities

|                                        | 2022             | 2021             |
|----------------------------------------|------------------|------------------|
|                                        | £                | £                |
| <b>Expenditure on:</b>                 |                  |                  |
| Staff costs                            | 851,423          | 737,496          |
| Depreciation and impairment            | 41,008           | 41,209           |
| Direct costs                           | 66,105           | 44,980           |
|                                        | <u>958,536</u>   | <u>823,685</u>   |
| Share of support costs (see note 7)    | 297,103          | 238,253          |
| Share of governance costs (see note 7) | 12,217           | 12,618           |
|                                        | <u>1,267,856</u> | <u>1,074,556</u> |
| <b>Analysis by fund</b>                |                  |                  |
| Unrestricted funds                     | <u>1,267,856</u> | <u>1,074,556</u> |
|                                        | <u>1,267,856</u> | <u>1,074,556</u> |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

### 7 Support costs

|                                             | Support costs  | Governance costs | 2022           | 2021           | Basis of allocation  |
|---------------------------------------------|----------------|------------------|----------------|----------------|----------------------|
|                                             | £              | £                | £              | £              |                      |
| Staff costs                                 | 176,634        | -                | 176,634        | 160,435        | 100% core activities |
| Telephone & Internet                        | 3,476          | -                | 3,476          | 3,986          | 100% core activities |
| Bank fees                                   | 3,478          | -                | 3,478          | 2,620          | 100% core activities |
| Cleaning and refuse collection              | 10,136         | -                | 10,136         | 8,796          | 100% core activities |
| Consulting                                  | -              | -                | -              | 1,946          | 100% core activities |
| Entertainment                               | -              | -                | -              | 18             | 100% core activities |
| General expenses                            | 17,123         | -                | 17,123         | 12,741         | 100% core activities |
| IT costs                                    | 47,460         | -                | 47,460         | 21,284         | 100% core activities |
| Utilities                                   | 8,265          | -                | 8,265          | 7,343          | 100% core activities |
| Printing, postage & stationery              | 994            | -                | 994            | 3,290          | 100% core activities |
| Rent                                        | 3,000          | -                | 3,000          | 3,000          | 100% core activities |
| Interest paid                               | 1,000          | -                | 1,000          | 1,750          | 100% core activities |
| Audit fees                                  | -              | 12,217           | 12,217         | 12,583         | 100% core activities |
| Accountancy                                 | -              | -                | -              | -              | 100% core activities |
| Legal and professional                      | -              | -                | -              | 35             | 100% core activities |
| Insurance                                   | 2,480          | -                | 2,480          | 2,479          | 100% core activities |
| Travel                                      | 2,400          | -                | 2,400          | 2,400          | 100% core activities |
| Payroll admin                               | 3,572          | -                | 3,572          | 3,325          | 100% core activities |
| Rates                                       | 5,683          | -                | 5,683          | 2,840          | 100% core activities |
| Advertising & Marketing                     | 828            | -                | 828            | -              | 100% core activities |
| Instrument repair and replacement - schools | 10,576         | -                | 10,576         | -              | 100% core activities |
|                                             | <u>297,105</u> | <u>12,217</u>    | <u>309,322</u> | <u>250,871</u> |                      |
| Analysed between                            |                |                  |                |                |                      |
| Charitable activities                       | <u>297,105</u> | <u>12,217</u>    | <u>309,322</u> | <u>250,871</u> |                      |

### 8 Board Of Trustees

During the year no trustee received repayment of expenses.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

### 9 Employees

#### Number of employees

The average monthly number of employees during the year was:

|                             | 2022<br>Number | 2021<br>Number |
|-----------------------------|----------------|----------------|
| Teaching staff              | 60             | 55             |
| Management & Administration | 9              | 11             |
|                             | <u>69</u>      | <u>66</u>      |

#### Employment costs

|                       | 2022<br>£        | 2021<br>£      |
|-----------------------|------------------|----------------|
| Wages and salaries    | 858,822          | 742,360        |
| Social security costs | 43,213           | 43,045         |
| Other pension costs   | 126,022          | 112,526        |
|                       | <u>1,028,057</u> | <u>897,931</u> |

The number of employees whose annual remuneration was £60,000 or more were:

|                    | 2022<br>Number | 2021<br>Number |
|--------------------|----------------|----------------|
| £60,001 to £70,000 | 1              | -              |

### 10 Taxation

The charitable company is exempt from corporation tax on its charitable activities.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

### 11 Tangible fixed assets

|                                    | Musical<br>instruments<br>£ | Office<br>equipment<br>£ | Total<br>£     |
|------------------------------------|-----------------------------|--------------------------|----------------|
| <b>Cost</b>                        |                             |                          |                |
| At 1 April 2021                    | 304,715                     | 26,372                   | 331,087        |
| Additions                          | 1,890                       | 1,175                    | 3,065          |
|                                    | <u>306,605</u>              | <u>27,547</u>            | <u>334,152</u> |
| <b>At 31 March 2022</b>            |                             |                          |                |
| <b>Depreciation and impairment</b> |                             |                          |                |
| At 1 April 2021                    | 118,856                     | 16,271                   | 135,127        |
| Depreciation charged in the year   | 34,043                      | 6,965                    | 41,008         |
|                                    | <u>152,899</u>              | <u>23,236</u>            | <u>176,135</u> |
| <b>At 31 March 2022</b>            |                             |                          |                |
| <b>Carrying amount</b>             |                             |                          |                |
| At 31 March 2022                   | <u>153,706</u>              | <u>4,311</u>             | <u>158,017</u> |
| At 31 March 2021                   | <u>185,859</u>              | <u>10,101</u>            | <u>195,960</u> |

### 12 Debtors

|                                             | 2022<br>£    | 2021<br>£     |
|---------------------------------------------|--------------|---------------|
| <b>Amounts falling due within one year:</b> |              |               |
| Trade debtors                               | 8,994        | 21,191        |
| Other debtors                               | -            | 10,404        |
| Prepayments and accrued income              | -            | 11,792        |
|                                             | <u>8,994</u> | <u>43,387</u> |

### 13 Loans and overdrafts

|                         | 2022<br>£     | 2021<br>£      |
|-------------------------|---------------|----------------|
| Other loans             | <u>80,000</u> | <u>120,000</u> |
| Payable within one year | 40,000        | 40,000         |
| Payable after one year  | <u>40,000</u> | <u>80,000</u>  |

The charitable company entered a loan agreement with London Borough of Hounslow on 29 April 2016. The long-term loan is non-secured.

The loan interest is at the rate of 1% above the base lending rate from Bank of England. During the 2017/2018 year, repayment terms were revised; stating repayment of five tranches of £40,000 over a 5 year period with the first repayment due in July 2019.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

### 14 Creditors: amounts falling due within one year

|                              | Notes | 2022<br>£      | 2021<br>£      |
|------------------------------|-------|----------------|----------------|
| Borrowings                   |       | 40,000         | 40,000         |
| Deferred income              | 16    | 23,909         | 27,655         |
| Trade creditors              |       | 6,018          | 2,001          |
| Other creditors              |       | 17,194         | 11,844         |
| Accruals and deferred income |       | 26,648         | 23,968         |
|                              |       | <u>113,769</u> | <u>105,468</u> |

### 15 Creditors: amounts falling due after more than one year

|            | 2022<br>£     | 2021<br>£     |
|------------|---------------|---------------|
| Borrowings | <u>40,000</u> | <u>80,000</u> |

### 16 Deferred income

|                                     | 2022<br>£     | 2021<br>£     |
|-------------------------------------|---------------|---------------|
| Arising from tour income in advance | <u>23,909</u> | <u>27,655</u> |

Deferred income is included in the financial statements as follows:

|                     | 2022<br>£     | 2021<br>£     |
|---------------------|---------------|---------------|
| Current liabilities | <u>23,909</u> | <u>27,655</u> |

### 17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

|                                    | Balance at 1<br>April 2021<br>£ | Movement in funds          |                            | Balance at 31<br>March 2022<br>£ |
|------------------------------------|---------------------------------|----------------------------|----------------------------|----------------------------------|
|                                    |                                 | Incoming<br>resources<br>£ | Resources<br>expended<br>£ |                                  |
| Revaluation of Musical Instruments | 161,836                         | -                          | (34,043)                   | 127,793                          |
|                                    | <u>161,836</u>                  | <u>-</u>                   | <u>(34,043)</u>            | <u>127,793</u>                   |

The resources expended represent the depreciation cost for the musical instruments.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

### 18 Analysis of net assets between funds

|                                                    | Unrestricted<br>£ | Restricted<br>£ | Total<br>£     |
|----------------------------------------------------|-------------------|-----------------|----------------|
| Fund balances at 31 March 2022 are represented by: |                   |                 |                |
| Tangible assets                                    | 158,016           | -               | 158,016        |
| Current assets/(liabilities)                       | 266,408           | -               | 266,408        |
| Long term liabilities                              | (40,000)          | -               | (40,000)       |
|                                                    | <u>384,424</u>    | <u>-</u>        | <u>384,424</u> |

### 19 Operating lease commitments

#### Lessee

The operating lease represents the lease of part of the ground floor and all of the first floor of 64 Pears Road. The inception of the lease was on 4th January 2017. The lease is negotiated at a rent of £3,000 per annum over 20 years and rentals are fixed for 5 years. The rent will be reviewed upwards every 5 years by between 2 and 4%, whichever is closer to the level of inflation, for the entire 20 year lease. There is no stated commitment period in the lease contract.

### 20 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

|                        | 2022<br>£     | 2021<br>£     |
|------------------------|---------------|---------------|
| Aggregate compensation | <u>60,458</u> | <u>59,576</u> |

An amount of £8,720 was received during the year (PY: £7,713) from the London Music Fund, of which one Hounslow Music Service director, Oonagh Barry, is also a director. The amount was fully paid during the year and there is no amount outstanding at the balance sheet date. This amount relates to a scholarship grant.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

### 21 Pension schemes

#### Teachers Pension Scheme

The charity participates in the Teachers' Pension Scheme (the "TPS"), for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £106,883.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2016, and the valuation report, which was published in September 2019. The employers contribution rate increased to 23.68%. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.76%. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

#### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme and took on by the charitable company as part of the transfer. The LGPS is closed to the charitable company so no new members can be admitted from the point of externalisation. By March 2018 just two members of staff remain, approximately 1.3FTE. The scheme would continue until the last member leaves the charitable company. The total contribution made in the year was £19,139.

### 22 Company limited by guarantee

The liability of the members is limited. Every member undertakes to contribute an amount not exceeding £1 to the assets of the company, in the event of the company being wound up whilst they are a member, or within one year after ceasing to be a member, for the payment of the debts and liabilities of the company contracted before ceasing to be a member.

| 23 Cash generated from operations                    | 2022<br>£      | 2021<br>£      |
|------------------------------------------------------|----------------|----------------|
| Surplus for the year                                 | 27,878         | 67,695         |
| Adjustments for:                                     |                |                |
| Depreciation and impairment of tangible fixed assets | 41,008         | 41,209         |
| Loan interest provision                              | 1,000          | 1,750          |
| Movements in working capital:                        |                |                |
| Decrease in debtors                                  | 34,394         | 10,847         |
| Increase/(decrease) in creditors                     | 12,047         | (3,734)        |
| (Decrease)/increase in deferred income               | (3,746)        | 745            |
| <b>Cash generated from operations</b>                | <b>112,581</b> | <b>118,512</b> |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

### 24 Analysis of cash and cash equivalents

|              | 2022<br>£ | 2021<br>£ |
|--------------|-----------|-----------|
| Cash in hand | 371,183   | 302,667   |

### 25 Analysis of changes in net funds

|                                            | At 1 April 2021<br>£ | Cash flows<br>£ | At 31 March<br>2022<br>£ |
|--------------------------------------------|----------------------|-----------------|--------------------------|
| Cash at bank and in hand                   | 302,667              | 68,516          | 371,183                  |
| Loans falling due within one year          | (40,000)             | -               | (40,000)                 |
| Loans falling due after more than one year | (80,000)             | 40,000          | (40,000)                 |
|                                            | 182,667              | 108,516         | 291,183                  |

**HOUNSLOW MUSIC SERVICE**

England & Wales - Charity number 1165778

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# Accounts

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Charity Registration No. 1165778

Company Registration No. 09947772 (England and Wales)

## **HOUNSLOW MUSIC SERVICE**

**Annual report and financial statements**

**For the year ended 31 March 2021**

**Pages for filing with registrar**

# HOUNSLOW MUSIC SERVICE

## LEGAL AND ADMINISTRATIVE INFORMATION

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|                          |                                                                                                                         |                                                             |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| <b>Board Of Trustees</b> | O M Barry<br>T J Bruce<br>C W Hill<br>C R C Holderness<br>S J Shotton<br>C P Salters<br>Dr P K Basra<br>T G F Sylvester | (Appointed 21 September 2020)<br>(Appointed 10 August 2020) |
| <b>Charity number</b>    | 1165778                                                                                                                 |                                                             |
| <b>Company number</b>    | 09947772                                                                                                                |                                                             |
| <b>Principal address</b> | 64A Pears Road<br>Hounslow<br>London<br>TW3 1SR                                                                         |                                                             |
| <b>Registered office</b> | 64A Pears Road<br>Hounslow<br>London<br>TW3 1SR                                                                         |                                                             |
| <b>Auditor</b>           | WSM Advisors Limited<br>Connect House<br>133-137 Alexandra Road<br>London<br>SW19 7JY                                   |                                                             |
| <b>Bankers</b>           | Barclays Bank plc                                                                                                       |                                                             |

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# **HOUNSLOW MUSIC SERVICE**

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# HOUNSLOW MUSIC SERVICE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

For the year ended 31 March 2021

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The trustees, who are also the directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: 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) (effective 1 January 2015).

The accounts have been prepared in accordance with the accounting policies set out in note 11 to the accounts and comply with the charitable company's memorandum and articles, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (as amended for accounting periods commencing from 1 January 2016).

### Our Purpose and Activities

The company's charitable objects are set out in its Memorandum and Articles of Association. The principal objective of the company is to provide the highest quality musical opportunities for children, young people and others in and around the London Borough of Hounslow.

Our mission is to encourage participation, enjoyment and achievement by providing the highest quality learning opportunities in music and the performing arts.

### Review of the year and plans for the future

#### Arts Council England:

As lead organisation for the local Music Education Hub, Hounslow Music Service (HMS) continues to fully implement the National Plan for Music Education (NPME), undertaking all the core and extension roles as detailed in the plan. A strong and supportive relationship continues with Arts Council England (ACE) who distribute funding on behalf of the Department for Education (DfE). A significant amount of background information and statistical data is provided to ACE on a regular basis to secure the release of grant payments.

The Annual feedback letter was received from ACE in January 2021. It assessed progress during 2019/20 and proposed the level of contact during 2020/21. A number of strengths were identified:

- *Although Covid 19 has clearly had a major impact on all activity since March 2020, the introduction of a comprehensive range of high-quality online activity and a rigorous and inclusive needs led approach ensured HMS continued to deliver well against core and extension roles. Notable achievements included school engagement with core roles (84%), support through SMEP (72%) and singing strategies (71%) which are above or comparable to national averages.*
- *HMS also supported a very good range of school/borough ensembles, some of which have targeted and successfully engaged Children and Young People (CYP) from hard to reach, financially disadvantaged and ethnically diverse backgrounds.*
- *Online delivery was impressive and included 3240 sessions (supporting core roles) reaching 5204 CYP.*
- *Other positive developments included creation of a well-researched Music for Wellbeing framework (which has clearly played a key role in encouraging and sustaining school engagement since lockdown), consistent curriculum documents and progress expectations for all instruments plus delivery of diversity training and a diversity audit which indicated good representation of pupils from disadvantaged, low engaging and BAME backgrounds in borough ensembles.*

(Source: HMS Feedback letter, Arts Council England, January 2021)

ACE has assessed the level of risk attached to the allocated DfE funding as minor risk for Hounslow, requiring a minimal level of monitoring and contact during the 2020/21 academic year.

# HOUNSLOW MUSIC SERVICE

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

For the year ended 31 March 2021

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### **First Access to music:**

As a core role of the NPME, enabling access to instrumental music making for all children is a priority. While schools were closed, we recognised that not all children had their instrument at home, and that some would not be able to play an instrument if others in the family were also working from home. HMS therefore devised two programmes; the first was a series of weekly video tutorials for those who could play their instruments at home; the second were a series of projects using everyday household objects, where children could develop the same musical knowledge away from the instrument.

When schools reopened many were reluctant to allow programmes in wind and brass instruments, nor was singing encouraged in many places. In response we created a series of projects where we avoided blowing, singing and even speaking, involving buckets and spoons, body percussion, boom whackers and other resources.

Many of these projects culminated in class performances which were filmed and shared in and across schools, which was a lovely way to retain some element of performance. Pupils and teachers loved these projects. By November 2020 some schools asked us to return to playing wind instruments.

Our approach in the January 2021 lockdown was to use the general projects again as most whole class instrumental programmes had either not started with instruments, or pupils had only recently started playing instruments. Some of these projects were shared with secondary colleagues to try to support them to deliver music at key stage 3.

From September 2020 to April 2021, schools who engaged with Charanga were also provided with a weekly KS1 and KS2 curriculum music lesson.

### **Continuation beyond first access:**

Until 2020, continuation was an identified strength of HMS with numbers continuing beyond first access significantly above national averages. This dropped significantly in 2020/21 partly because of the bubble system in schools meaning children were confined to one specific area throughout the school day. The lack of in person teaching during the summer term also affected those at the end of their first year of whole class learning. Many schools were reluctant to allow external visitors inside, both primary and secondary, and music rooms were generally not in use.

In the earliest part of the pandemic, many schools were deeply suspicious of using a live video stream into a pupil's home. Several secondary schools asked for us to deliver instrumental and vocal lessons via email. Since feedback and demonstration are central to any authentic instrumental/vocal learning, this was not practical. By the Autumn however, schools were more willing to allow live video lessons, so by the January lockdown, more pupils were able to continue with their instrumental lessons. Access to online lessons varied from school to school as it was often dependent on having someone facilitate this at school level. Many parents did not want online lessons after school, meaning that there was significant disruption in instrumental learning for many young people. By September 2020, young people learning in small/large group and individual lessons returned to around 50% of pre-pandemic levels. Several schools did not want lessons in school, but supported us to set up online lessons after school and at weekends. Often the usual teacher was not available and so pupils were offered different teachers, which again had an impact on whether pupils would continue with lessons.

When schools reopened fully in April 2021, numbers of pupils engaged in large/small group and individual lessons increased to 75% of pre-pandemic numbers.

### **Music Centres, Schools and Academy:**

Saturday Music Academy moved online during summer 2020, with almost 90% of pupils continuing with lessons. In person lessons resumed in Autumn 2020 with lots of measures around distancing and no parents were allowed inside the building. By November we had to move online once more, and remained so until April 2021. Several teachers who were unable to teach from home were able to use the Music Centre to deliver online lessons.

The move to online teaching helped drive some innovations around teaching music theory. By January 2021, we were able to deliver theory completely online. It has led to the development of new resources, which will be of use beyond the pandemic.

# **HOUNSLOW MUSIC SERVICE**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

**For the year ended 31 March 2021**

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Ensembles were provided with music and tuition and several virtual performances were mastered together and released on social media. It quickly became clear that this experience, although it resulted in a performance, could not replicate the camaraderie and social element of ensemble rehearsals. Technology does not yet support people to play together remotely because there is always a time lag, so recording individual tracks and then editing them to work together was our only option.

### **Examinations:**

Public instrumental and vocal examinations were cancelled worldwide in Spring 2020 until further notice. In Autumn 2020, several pupils entered their final year at school and were keen to complete their Grade 8 examinations on their instrument, particularly as this would count towards their UCAS points for university entry. Under the DfE guidance it was permitted to run examinations during lockdowns and so we initially planned a private exam centre in February 2021. Since the coronavirus case numbers were so high, particularly in West London, it was felt that running examinations were not in the spirit of the lockdown. Examinations were postponed until the Easter holidays, by which time it was also clear that GCSE and A level examinations would again be cancelled and grades awarded instead through teacher assessment. Since most teaching between April 2020 and March 2021 had been online, we arranged rehearsals for all pupils. This was to help pupils expand their dynamic range having played in small spaces for almost a year. Extensive measures were employed to run the exams safely, including different stewards upstairs and downstairs, a well-distanced examination room including separate stands for the examiner and candidate, and two pianos. ABRSM exams went ahead; however, Trinity College cancelled at short notice. The exams ran safely and smoothly, and 29 young people took exams.

Online exams were also possible, although ABRSM chose a different format meaning that young people had to learn an additional piece. Pupils who had missed out due to the Trinity postponement were offered the chance of doing an online exam, or waiting until our next private visit in July 2021.

### **Funding from other sources:**

London Music Fund (LMF) continued to provide funding for existing scholars, so our scholars continued to make good progress. HMS operates a shadow scholar scheme where a second scholar is supported from within Hounslow and shares a lesson with the LMF pupil, thereby doubling the impact of the LMF funding. Shadow scholars also continued with online lessons.

Once again, the Marcus Fund supported several pupils during the year.

### **Instrument Hire Scheme:**

In a normal year HMS would provide around 5,000 instruments free of charge to pupils engaged in the Whole Class Instrumental Programme or on continuation programmes at Primary Schools. During 2020/21, instead of providing tenor horns, trombones, trumpets, clarinets, ukuleles, percussion packs, violins, violas and recorders, we were providing buckets, spoons, boom whackers and djembes. Most schools wanted to start the academic year with our Music for Wellbeing programme, which had a mixture of activities including body percussion and mindfulness. Where schools allowed a transition to instrumental programmes, this started in Autumn half term 2020, only to be stopped in January 2021, and restarted in April 2021.

There is an annual programme of mouthpiece and trombone slide collection, cleaning and maintenance. This large but important job was hindered by the fact that we were not allowed into schools in Summer 2020. Instead, staff visited schools in September 2021 to collect mouthpieces for cleaning, to oil valves and replace strings. Since instruments had been idle for at least 6 months by then, they were naturally quarantined and so there was no risk of any virus being alive. Due to the subsequent lockdown in January 2021, the valve oiling had to be redone in April to ensure instruments were playable once lessons resumed on instruments.

Throughout the pandemic, we have operated an onsite and mobile instrument hire and repair service. All instruments returned to HMS were by appointment and were quarantined for 2 weeks, managed by noting the date of return on a sticker on the instrument case. This was carefully managed so no cross contamination could take place. Where pupils had outgrown an instrument, we sized them and issued new instruments, all of which had been unused for at least 2 weeks. We also provided a repair service at our office, although all blown instruments were left out of the case for 3 days before being played, and only then with a cleaned mouthpiece.

# HOUNSLOW MUSIC SERVICE

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

For the year ended 31 March 2021

---

In the first lockdown, where families could not leave their home, we did roadside repairs while families watched from the windows.

### **Youth Music Bid for funding:**

In Summer 2019 Hounslow submitted a bid for funding from Youth Music to deliver an action research project in partnership with Croydon Music Service and the English Folk Dance and Song Society on music in Early Years settings. We were successful in our bid and were awarded just under £30,000. This project was originally delayed to deliver during 2020/21, but due to ongoing restrictions has been delayed again for delivery during the 2021/22 academic year.

### **Events**

#### **HMS Moment of Music:**

In the first lockdown we considered what we could do to keep people's spirits up across our Hounslow community. Inspired by opera singers on balconies in Italy, we chose to create a daily moment of music which could be shared on our social media channels as '#HMSmomentofmusic'. Each "moment" lasted around 2 – 3 minutes and featured everything from short instrumental solos from children's homes, to recordings of pieces we had performed in pre-lockdown concerts, to families making music together. These were released each weekday during summer 2020. We also ran a competition for the most popular '#HMSmomentofmusic' where people voted for their favourite and the most popular winning amazon vouchers.

In October our '#HMSmomentofmusic' was linked to Black History month and we featured famous black musicians from the last 60 years.

In November one of our pupils released a performance of the Last Post looking out over the river. It was very poignant especially since most of the Remembrance events had been cancelled due to the pandemic. In December we ran 25 days of '#ChristmasCrackers' as a musical countdown to Christmas. These were hugely popular with people, many of whom we had previously had no contact. Several contacted us to say how much they enjoyed these moments of lightness each day.

#### **Chamber Concert:**

We ran a virtual end of term chamber concert on 9th December to provide a platform for children who had not had an opportunity to perform their pieces for an audience. This was particularly useful for children who had to provide coursework for GCSEs which at this point we were expecting to go ahead as normal.

During the Spring term we ran a series of online jazz workshops and pupils recorded a performance which was released to parents and pupils.

#### **Public benefit:**

The Trustees confirm that they have paid due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charitable Company. The Charity Commission, in its "Charities and public benefit" guidance, states that there are two key principles to be met in order to show that an organisation's aims are for the public benefit: firstly, there must be an identifiable benefit and, secondly, that the benefit must be to the public or a section of the public. The Trustees are satisfied that both these key principles are met by the operation and achievements of the Charitable Company.

# **HOUNSLOW MUSIC SERVICE**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

**For the year ended 31 March 2021**

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### **Financial review**

Taking into account income and expenditure, the charity realised an operational surplus of £67,695 for the year. The net movement for the year was an increase of £67,695 in total charity's funds. The trustees acknowledge that the surplus in the year was higher than planned. There were very few live performances during the year and so there was no expenditure on venue, music or additional musicians. Very few new instruments were purchased. Ensembles did not run during the period and so, once again, venue and teaching costs were not applied. Once Covid restrictions eventually lessen, this funding will support a return to performances even with a reduced audience.

Total fund balances as at 31 March 2021 were £356,546, of which £161,836 related to the revaluation reserve and the general unrestricted funds stood at £194,710.

Total income for the year from grant monies and tuition fees was £1,142,251 decreasing from £1,340,756 last year. Total expenditure of £1,074,556 decreasing from £1,292,090 last year of which £12,618 (2020: £13,183) related to the governance of the charitable company.

### **Going concern assessment and Covid-19**

All activity ceased on 21st March 2020, two weeks before the end of term, and 57 staff were furloughed. This enabled the service to retain skilled staff to continue to deliver a quality service. Schools were instructed to pay contractors for activity supported by the school budget, and after a great deal of research and planning, online lessons were offered for the summer term. These hours, combined with the school funded hours, enabled us to de-furlough 19 teachers from the end of April 2020. This income was crucial to stabilize the charity and recover some of the lost income for the summer term.

Anticipating a reduction in bookings for class singing and wind activity due to fears about the virus, we developed a new Music for Wellbeing programme which could be delivered without instruments in schools. When schools were contacted to make bookings for Autumn 2020, many primary schools opted for this instead of whole class instrumental programmes. The delivery of online lessons in the summer term of 2020 helped us offer a blended or fully online service where schools did not want our teachers inside.

During 2020/21, despite additional school closures and directives to move out of school activity to an online offer, numbers using our service gradually increased and have continued to do so after the end of the reporting period. By April 2021 activity had increased to more than 85% of pre-pandemic levels. Summer 2021 has seen a significant increase in demand for our services, and hours of tuition booked for September 2021 were higher than before the pandemic.

While the COVID-19 pandemic had a negative impact on our ability to operate during lockdown, we did continue operating during all three terms and generated income by creating new products for schools and families. The Cultural Recovery Grant was created by Arts Council England to support arts organisations who were in danger of failing as a result of the pandemic; however, we did not need to apply for this as our finances remained healthy throughout and beyond the financial year.

The trustees are satisfied that we have done everything possible to protect the charity's resources and to continue to further our charitable purposes despite the constraints and uncertainties created by the Covid-19 pandemic. Having considered the financial position at the point of signing off this annual report and accounts, we consider that Hounslow Music Service remains a going concern.

### **Risk management**

The directors have prepared a Risk Register which is regularly reviewed.

The key risk that the Charitable Company has identified is the inability to secure or sustain current levels of funding. A number of lower priority risks have also been identified and procedures have been implemented which minimise these identified risks. The Board regularly discuss aspects of the operations to understand and manage the risks it faces and is in the process of refining the risk register to make it a more effective document that can inform decision-making on a regular basis.

# **HOUNSLOW MUSIC SERVICE**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

**For the year ended 31 March 2021**

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The Trustees' report was approved by the Board Of Trustees.

.....

**C R C Holderness**

Trustee

Dated: .....

# **HOUNSLOW MUSIC SERVICE**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**For the year ended 31 March 2021**

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The trustees (who are also directors of Hounslow Music Service for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charity SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

# HOUNSLOW MUSIC SERVICE

## INDEPENDENT AUDITOR'S REPORT

### TO THE BOARD OF TRUSTEES OF HOUNSLOW MUSIC SERVICE

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#### Opinion

We have audited the financial statements of Hounslow Music Service (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board Of Trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Board Of Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

# **HOUNSLOW MUSIC SERVICE**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE BOARD OF TRUSTEES OF HOUNSLOW MUSIC SERVICE**

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#### **Responsibilities of Board Of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Board Of Trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board Of Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board Of Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board Of Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and posting inappropriate journal entries to manipulate the fair value of the company's assets.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation where relevant, review of Directors meeting minutes, enquiries with management as to the risks of non-compliance and any instances thereof, challenging assumptions and judgments made by management, and identifying and testing journal entries, in particular any journal entries posted with unusual account combinations. Our audit procedures also focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less like we are to become aware of it.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **HOUNSLOW MUSIC SERVICE**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE BOARD OF TRUSTEES OF HOUNSLOW MUSIC SERVICE**

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#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Sophie Holborn (Senior Statutory Auditor)**  
**for and on behalf of WSM Advisors Limited**

.....

**Chartered Accountants**  
**Statutory Auditor**

Connect House  
133-137 Alexandra Road  
Wimbledon  
London  
SW19 7JY

WSM Advisors Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

# HOUNSLOW MUSIC SERVICE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2021

|                                                        | Notes | Unrestricted<br>funds<br>2021<br>£ | Restricted<br>funds<br>2021<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|--------------------------------------------------------|-------|------------------------------------|----------------------------------|--------------------|--------------------|
| <b><u>Income and endowments from:</u></b>              |       |                                    |                                  |                    |                    |
| Donations and legacies                                 | 3     | -                                  | 402,420                          | 402,420            | 447,840            |
| Charitable activities                                  | 4     | 524,294                            | -                                | 524,294            | 892,916            |
| Other income                                           | 5     | 215,537                            | -                                | 215,537            | -                  |
| <b>Total income</b>                                    |       | <b>739,831</b>                     | <b>402,420</b>                   | <b>1,142,251</b>   | <b>1,340,756</b>   |
| <b><u>Expenditure on:</u></b>                          |       |                                    |                                  |                    |                    |
| Charitable activities                                  | 6     | 1,074,556                          | -                                | 1,074,556          | 1,292,091          |
| <b>Net (expense)/income resources before transfers</b> |       | <b>(334,725)</b>                   | <b>402,420</b>                   | <b>67,695</b>      | <b>48,665</b>      |
| Gross transfers between funds                          |       | 402,420                            | (402,420)                        | -                  | -                  |
| <b>Net incoming resources</b>                          |       | <b>67,695</b>                      | <b>-</b>                         | <b>67,695</b>      | <b>48,665</b>      |
| <b><u>Other recognised gains and losses</u></b>        |       |                                    |                                  |                    |                    |
| Revaluation of tangible fixed assets                   | 11    | -                                  | -                                | -                  | 4,303              |
| <b>Net movement in funds</b>                           |       | <b>67,695</b>                      | <b>-</b>                         | <b>67,695</b>      | <b>52,968</b>      |
| Fund balances at 1 April 2020                          |       | 288,851                            | -                                | 288,851            | 235,883            |
| <b>Fund balances at 31 March 2021</b>                  |       | <b>356,546</b>                     | <b>-</b>                         | <b>356,546</b>     | <b>288,851</b>     |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# HOUNSLOW MUSIC SERVICE

## BALANCE SHEET

As at 31 March 2021

|                                                                | Notes | 2021<br>£      | £              | 2020<br>£      | £              |
|----------------------------------------------------------------|-------|----------------|----------------|----------------|----------------|
| <b>Fixed assets</b>                                            |       |                |                |                |                |
| Tangible assets                                                | 12    |                | 195,960        |                | 226,589        |
| <b>Current assets</b>                                          |       |                |                |                |                |
| Debtors                                                        | 13    | 43,387         |                | 54,234         |                |
| Cash at bank and in hand                                       |       | 302,667        |                | 244,186        |                |
|                                                                |       | <u>346,054</u> |                | <u>298,420</u> |                |
| <b>Creditors: amounts falling due within one year</b>          | 15    | (105,468)      |                | (108,457)      |                |
| Net current assets                                             |       |                | 240,586        |                | 189,963        |
| <b>Total assets less current liabilities</b>                   |       |                | 436,546        |                | 416,552        |
| <b>Creditors: amounts falling due after more than one year</b> | 16    |                | (80,000)       |                | (127,701)      |
| <b>Net assets</b>                                              |       |                | <u>356,546</u> |                | <u>288,851</u> |
| <b>Income funds</b>                                            |       |                |                |                |                |
| <u>Unrestricted funds</u>                                      |       |                |                |                |                |
| Designated funds                                               | 18    | 161,836        |                | 195,501        |                |
| General unrestricted funds                                     |       | <u>194,710</u> |                | <u>93,350</u>  |                |
|                                                                |       |                | 356,546        |                | 288,851        |
| <b>Total charity funds</b>                                     |       |                | <u>356,546</u> |                | <u>288,851</u> |

# **HOUNSLOW MUSIC SERVICE**

## **BALANCE SHEET (CONTINUED)**

**As at 31 March 2021**

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The Trustees' acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

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

The accounts were approved by the Board Of Trustees on .....

.....  
C R C Holderness  
**Trustee**

**Company Registration No. 09947772**

# HOUNSLOW MUSIC SERVICE

## STATEMENT OF CASH FLOWS

For the year ended 31 March 2021

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|                                                  | Notes | 2021<br>£ | £           | 2020<br>£ | £           |
|--------------------------------------------------|-------|-----------|-------------|-----------|-------------|
| <b>Cash flows from operating activities</b>      |       |           |             |           |             |
| Cash generated from operations                   | 25    |           | 118,512     |           | 94,541      |
| <b>Investing activities</b>                      |       |           |             |           |             |
| Purchase of tangible fixed assets                |       | (10,580)  |             | (21,219)  |             |
|                                                  |       | <hr/>     |             | <hr/>     |             |
| <b>Net cash used in investing activities</b>     |       |           | (10,580)    |           | (21,219)    |
| Repayment of borrowings                          |       | (49,451)  |             | (40,000)  |             |
|                                                  |       | <hr/>     |             | <hr/>     |             |
| <b>Net cash used in financing activities</b>     |       |           | (49,451)    |           | (40,000)    |
|                                                  |       |           | <hr/>       |           | <hr/>       |
| <b>Net increase in cash and cash equivalents</b> |       |           | 58,481      |           | 33,322      |
| Cash and cash equivalents at beginning of year   |       |           | 244,186     |           | 210,864     |
|                                                  |       |           | <hr/>       |           | <hr/>       |
| <b>Cash and cash equivalents at end of year</b>  |       |           | 302,667     |           | 244,186     |
|                                                  |       |           | <hr/> <hr/> |           | <hr/> <hr/> |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

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### 1 Accounting policies

#### Charity information

Hounslow Music Service is a private company limited by guarantee incorporated in England and Wales. The registered office is 64A Pears Road, Hounslow, London, TW3 1SR. The company is also a registered charity with registration number 1165778.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the charitable company's memorandum and articles, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (as amended for accounting periods commencing from 1 January 2016). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have undertaken an assessment of the adequacy of the resources available to the charity as well as the expected support to businesses available from the government measures in place through the period of disruption caused by coronavirus. The trustees have a reasonable expectation the charity has adequate resources to continue in operational existence for the foreseeable future accordingly continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Board Of Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charitable company.

#### 1.4 Incoming resources

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Grants receivable and local authority fees are credited to the statement of financial activities in the period to which they relate. A liability for any repayment is recognised when there is uncertainty.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

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### 1 Accounting policies

(Continued)

Incoming resources represent tuition fees and income from concerts, tours, hire of instruments, subscriptions, training and other services rendered during the year. Donations and other income are included in the year in which they are received.

#### 1.5 Resources expended

Resources expended are recognised in the year in which they are incurred. Resources expended include attributable Value Added Tax which cannot be recovered.

##### **Expenditure for charitable purposes**

Direct charitable expenditure includes all expenditure directly related to the objectives of the charitable company and comprises the costs of providing instrumental tuition, concert performances, tours, and education and community projects undertaken by the charitable company and is accounted for when payable. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

##### **Governance costs**

Governance costs represent expenditure incurred in the management of the charitable company's assets, organisational administration and compliance with constitutional and statutory requirements.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                     |                                                    |
|---------------------|----------------------------------------------------|
| Musical instruments | Over 5-50 years on a straight line basis per annum |
| Office equipment    | Over 3 years on a straight line basis per annum    |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

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### 1 Accounting policies

(Continued)

#### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### *Basic financial liabilities*

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The charitable company contributes to the Teachers' Pension Scheme on behalf of the teaching staff and also contributes to defined contribution pension schemes which have been arranged for members of staff, who are not eligible to join the Teachers' Pension Scheme.

Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charitable company in the year.

#### 1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

### 2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the Board Of Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

### 3 Donations and legacies

|                                                 | Unrestricted<br>funds | Restricted<br>funds | Total<br>2021  | Total<br>2020  |
|-------------------------------------------------|-----------------------|---------------------|----------------|----------------|
|                                                 | £                     | £                   | £              | £              |
| Donations and gifts                             | -                     | -                   | -              | 4,500          |
| Grant receivable for core activities            | -                     | 402,420             | 402,420        | 443,340        |
|                                                 | <u>-</u>              | <u>402,420</u>      | <u>402,420</u> | <u>447,840</u> |
| <b>Donations and gifts</b>                      | <u>-</u>              | <u>-</u>            | <u>-</u>       | <u>4,500</u>   |
| <b>Grants receivable for core activities</b>    | <u>-</u>              | <u>394,707</u>      | <u>394,707</u> | <u>435,813</u> |
| Department of Education - Music Education Grant | -                     | 394,707             | 394,707        | 435,813        |
| Mayor's Music Fund                              | -                     | 7,713               | 7,713          | 5,377          |
| Other Grant                                     | -                     | -                   | -              | 2,150          |
|                                                 | <u>-</u>              | <u>402,420</u>      | <u>402,420</u> | <u>443,340</u> |

### 4 Charitable activities

|                                         | School<br>Income | Parental<br>Income | Total<br>2021  | Total<br>2020  |
|-----------------------------------------|------------------|--------------------|----------------|----------------|
|                                         | £                | £                  | £              | £              |
| <b>Income from:</b>                     |                  |                    |                |                |
| Music education                         | <u>362,801</u>   | <u>161,493</u>     | <u>524,294</u> | <u>892,916</u> |
| Analysis by fund                        |                  |                    |                |                |
| Unrestricted funds                      | <u>362,801</u>   | <u>161,493</u>     | <u>524,294</u> |                |
| <b>For the year ended 31 March 2020</b> |                  |                    |                |                |
| Unrestricted funds                      | <u>633,955</u>   | <u>258,961</u>     |                | <u>892,916</u> |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

### 5 Other income

|                                  | Total                 | Total           |
|----------------------------------|-----------------------|-----------------|
|                                  | 2021                  | 2020            |
|                                  | £                     | £               |
| Other income                     | 7,982                 | -               |
| Coronavirus Job Retention Scheme | 207,555               | -               |
|                                  | <u>215,537</u>        | <u>-</u>        |
|                                  | <u><u>215,537</u></u> | <u><u>-</u></u> |

### 6 Charitable activities

|                                        | 2021                    | 2020                    |
|----------------------------------------|-------------------------|-------------------------|
|                                        | £                       | £                       |
| <b>Expenditure on:</b>                 |                         |                         |
| Staff costs                            | 737,496                 | 758,203                 |
| Depreciation and impairment            | 41,209                  | 37,470                  |
| Direct costs                           | 44,980                  | 160,080                 |
|                                        | <u>823,685</u>          | <u>955,753</u>          |
| Share of support costs (see note 7)    | 238,253                 | 323,156                 |
| Share of governance costs (see note 7) | 12,618                  | 13,183                  |
|                                        | <u>1,074,556</u>        | <u>1,292,091</u>        |
|                                        | <u><u>1,074,556</u></u> | <u><u>1,292,091</u></u> |
| <b>Analysis by fund</b>                |                         |                         |
| Unrestricted funds                     | 1,074,556               | 1,292,091               |
|                                        | <u>1,074,556</u>        | <u>1,292,091</u>        |
|                                        | <u><u>1,074,556</u></u> | <u><u>1,292,091</u></u> |

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

### 7 Support costs

|                                        | Support costs  | Governance costs | 2021           | 2020           | Basis of allocation  |
|----------------------------------------|----------------|------------------|----------------|----------------|----------------------|
|                                        | £              | £                | £              | £              |                      |
| Staff costs                            | 160,435        | -                | 160,435        | 248,174        | 100% core activities |
| Telephone & Internet                   | 3,986          | -                | 3,986          | 3,343          | 100% core activities |
| Bank fees                              | 2,620          | -                | 2,620          | 3,269          | 100% core activities |
| Cleaning and refuse collection         | 8,796          | -                | 8,796          | 9,657          | 100% core activities |
| Consulting                             | 1,946          | -                | 1,946          | 750            | 100% core activities |
| Entertainment                          | 18             | -                | 18             | 394            | 100% core activities |
| General expenses                       | 12,741         | -                | 12,741         | 7,267          | 100% core activities |
| IT costs                               | 21,284         | -                | 21,284         | 13,275         | 100% core activities |
| Utilities                              | 7,343          | -                | 7,343          | 8,669          | 100% core activities |
| Printing, postage & stationery         | 3,290          | -                | 3,290          | 4,278          | 100% core activities |
| Rent                                   | 3,000          | -                | 3,000          | 3,000          | 100% core activities |
| Loan interest                          | 1,750          | -                | 1,750          | 2,250          | 100% core activities |
| Audit fees                             | -              | 12,583           | 12,583         | 12,442         | 100% core activities |
| Legal and professional                 | -              | 35               | 35             | 741            | 100% core activities |
| Insurance                              | 2,479          | -                | 2,479          | 2,379          | 100% core activities |
| Travel                                 | 2,400          | -                | 2,400          | 2,445          | 100% core activities |
| Payroll admin                          | 3,325          | -                | 3,325          | 5,568          | 100% core activities |
| Rates                                  | 2,840          | -                | 2,840          | 8,438          | 100% core activities |
| Trustees expenses                      | -              | -                | -              | -              | 100% core activities |
|                                        | <u>238,253</u> | <u>12,618</u>    | <u>250,871</u> | <u>336,339</u> |                      |
| Analysed between Charitable activities | <u>238,253</u> | <u>12,618</u>    | <u>250,871</u> | <u>336,339</u> |                      |

### 8 Board Of Trustees

During the year no trustee received repayment of expenses.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

### 9 Employees

#### Number of employees

The average monthly number of employees during the year was:

|                | 2021<br>Number | 2020<br>Number |
|----------------|----------------|----------------|
| Teaching staff | 55             | 59             |
| Management     | 7              | 4              |
| Administration | 4              | 2              |
|                | <u>66</u>      | <u>65</u>      |

#### Employment costs

|                       | 2021<br>£      | 2020<br>£        |
|-----------------------|----------------|------------------|
| Wages and salaries    | 742,360        | 829,583          |
| Social security costs | 43,045         | 48,470           |
| Other pension costs   | 112,526        | 128,324          |
|                       | <u>897,931</u> | <u>1,006,377</u> |

There were no employees whose annual remuneration was £60,000 or more.

### 10 Taxation

The charitable company is exempt from corporation tax on its charitable activities.

### 11 Revaluation of fixed assets

|                                      | 2021<br>£ | 2020<br>£    |
|--------------------------------------|-----------|--------------|
| Revaluation of tangible fixed assets | <u>-</u>  | <u>4,303</u> |

In the prior years a valuation adjustment to the value of fixed assets transferred in from Hounslow Council in 2017 was made. This was deemed necessary following a full stocktake of the musical instruments that was undertaken. During the year a valuation was undertaken by expert on the percussion and an adjustment of £nil (2020: £4,303) was included in the accounts.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

### 12 Tangible fixed assets

|                                    | Musical<br>instruments<br>£ | Office<br>equipment<br>£ | Total<br>£     |
|------------------------------------|-----------------------------|--------------------------|----------------|
| <b>Cost</b>                        |                             |                          |                |
| At 1 April 2020                    | 304,715                     | 15,792                   | 320,507        |
| Additions                          | -                           | 10,580                   | 10,580         |
|                                    | <u>304,715</u>              | <u>26,372</u>            | <u>331,087</u> |
| At 31 March 2021                   | 304,715                     | 26,372                   | 331,087        |
| <b>Depreciation and impairment</b> |                             |                          |                |
| At 1 April 2020                    | 85,191                      | 8,727                    | 93,918         |
| Depreciation charged in the year   | 33,665                      | 7,544                    | 41,209         |
|                                    | <u>118,856</u>              | <u>16,271</u>            | <u>135,127</u> |
| At 31 March 2021                   | 118,856                     | 16,271                   | 135,127        |
| <b>Carrying amount</b>             |                             |                          |                |
| At 31 March 2021                   | <u>185,859</u>              | <u>10,101</u>            | <u>195,960</u> |
| At 31 March 2020                   | <u>219,524</u>              | <u>7,065</u>             | <u>226,589</u> |

### 13 Debtors

|                                             | 2021<br>£     | 2020<br>£     |
|---------------------------------------------|---------------|---------------|
| <b>Amounts falling due within one year:</b> |               |               |
| Trade debtors                               | 21,191        | 8,097         |
| Other debtors                               | 10,404        | 28,232        |
| Prepayments and accrued income              | 11,792        | 17,905        |
|                                             | <u>43,387</u> | <u>54,234</u> |

### 14 Loans and overdrafts

|                         | 2021<br>£      | 2020<br>£      |
|-------------------------|----------------|----------------|
| Other loans             | <u>120,000</u> | <u>167,701</u> |
| Payable within one year | 40,000         | 40,000         |
| Payable after one year  | <u>80,000</u>  | <u>127,701</u> |

The charitable company entered a loan agreement with London Borough of Hounslow on 29 April 2016. The long-term loan is non-secured.

The loan interest is at the rate of 1% above the base lending rate from Bank of England. During the 2017/2018 year, repayment terms were revised; stating repayment of five tranches of £40,000 over a 5 year period with the first repayment due in July 2019.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

### 15 Creditors: amounts falling due within one year

|                              | Notes | 2021<br>£      | 2020<br>£      |
|------------------------------|-------|----------------|----------------|
| Borrowings                   |       | 40,000         | 40,000         |
| Deferred income              | 17    | 27,655         | 26,910         |
| Trade creditors              |       | 2,001          | 4,883          |
| Other creditors              |       | 11,844         | 10,894         |
| Accruals and deferred income |       | 23,968         | 25,770         |
|                              |       | <u>105,468</u> | <u>108,457</u> |

### 16 Creditors: amounts falling due after more than one year

|            | 2021<br>£     | 2020<br>£      |
|------------|---------------|----------------|
| Borrowings | <u>80,000</u> | <u>127,701</u> |

### 17 Deferred income

|                                     | 2021<br>£     | 2020<br>£     |
|-------------------------------------|---------------|---------------|
| Arising from tour income in advance | <u>27,655</u> | <u>26,910</u> |

Deferred income is included in the financial statements as follows:

|                     | 2021<br>£     | 2020<br>£     |
|---------------------|---------------|---------------|
| Current liabilities | <u>27,655</u> | <u>26,910</u> |

### 18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

|                                    | Balance at 1<br>April 2020<br>£ | Movement in funds          |                            | Balance at 31<br>March 2021<br>£ |
|------------------------------------|---------------------------------|----------------------------|----------------------------|----------------------------------|
|                                    |                                 | Incoming<br>resources<br>£ | Resources<br>expended<br>£ |                                  |
| Revaluation of Musical Instruments | 195,501                         | -                          | (33,665)                   | 161,836                          |
|                                    | <u>195,501</u>                  | <u>-</u>                   | <u>(33,665)</u>            | <u>161,836</u>                   |

The resources expended represent the depreciation cost for the musical instruments.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

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### 19 Analysis of net assets between funds

|                                                    | Unrestricted<br>£ | Restricted<br>£ | Total<br>£ |
|----------------------------------------------------|-------------------|-----------------|------------|
| Fund balances at 31 March 2021 are represented by: |                   |                 |            |
| Tangible assets                                    | 195,960           | -               | 195,960    |
| Current assets/(liabilities)                       | 240,586           | -               | 240,586    |
| Long term liabilities                              | (80,000)          | -               | (80,000)   |
|                                                    | <hr/>             | <hr/>           | <hr/>      |
|                                                    | 356,546           | -               | 356,546    |
|                                                    | <hr/>             | <hr/>           | <hr/>      |

### 20 Audit report information

The auditor's report was unqualified.

**Sophie Holborn (Senior Statutory Auditor)**  
**WSM Advisors Limited**

**Chartered Accountants**  
**Statutory Auditor**

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

### 21 Operating lease commitments

#### Lessee

The operating lease represents the lease of part of the ground floor and all of the first floor of 64 Pears Road. The inception of the lease was on 4th January 2017. The lease is negotiated at a rent of £3,000 per annum over 20 years and rentals are fixed for 5 years. The rent will be reviewed upwards every 5 years by between 2 and 4%, whichever is closer to the level of inflation, for the entire 20 year lease. There is no stated commitment period in the lease contract.

### 22 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

|                        | 2021   | 2020   |
|------------------------|--------|--------|
|                        | £      | £      |
| Aggregate compensation | 59,576 | 59,151 |

### 23 Pension schemes

#### Teachers Pension Scheme

The charity participates in the Teachers' Pension Scheme (the "TPS"), for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £96,601.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2016, and the valuation report, which was published in 1 September 2019. The employers contribution rate increased to 23.68%. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.76%. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

#### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme and took on by the charitable company as part of the transfer. The LGPS is closed to the charitable company so no new members can be admitted from the point of externalisation. By March 2018 just two members of staff remain, approximately 1.3FTE. The scheme would continue until the last member leaves the charitable company. The total contribution made in the year was £15,925.

### 24 Company limited by guarantee

The liability of the members is limited. Every member undertakes to contribute an amount not exceeding £1 to the assets of the company, in the event of the company being wound up whilst they are a member, or within one year after ceasing to be a member, for the payment of the debts and liabilities of the company contracted before ceasing to be a member.

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2021

|           |                                                      |                        |                                   |
|-----------|------------------------------------------------------|------------------------|-----------------------------------|
| <b>25</b> | <b>Cash generated from operations</b>                | <b>2021</b>            | <b>2020</b>                       |
|           |                                                      | <b>£</b>               | <b>£</b>                          |
|           | Surplus for the year                                 | 67,695                 | 48,665                            |
|           | Adjustments for:                                     |                        |                                   |
|           | Depreciation and impairment of tangible fixed assets | 41,209                 | 37,470                            |
|           | Loan interest provision                              | 1,750                  | 2,250                             |
|           | Movements in working capital:                        |                        |                                   |
|           | Decrease in debtors                                  | 10,847                 | 14,781                            |
|           | (Decrease) in creditors                              | (3,734)                | (7,035)                           |
|           | Increase/(decrease) in deferred income               | 745                    | (1,590)                           |
|           | <b>Cash generated from operations</b>                | <b>118,512</b>         | <b>94,541</b>                     |
| <b>26</b> | <b>Analysis of cash and cash equivalents</b>         |                        |                                   |
|           |                                                      | <b>2021</b>            | <b>2020</b>                       |
|           |                                                      | <b>£</b>               | <b>£</b>                          |
|           | Cash in hand                                         | 302,667                | 244,186                           |
| <b>27</b> | <b>Analysis of changes in net funds</b>              |                        |                                   |
|           |                                                      | <b>At 1 April 2020</b> | <b>Cash flowsAt 31 March 2021</b> |
|           |                                                      | <b>£</b>               | <b>£</b>                          |
|           | Cash at bank and in hand                             | 244,186                | 58,481                            |
|           | Loans falling due within one year                    | (40,000)               | -                                 |
|           | Loans falling due after more than one year           | (127,701)              | 47,701                            |
|           |                                                      | <b>76,485</b>          | <b>106,182</b>                    |
|           |                                                      | <b>182,667</b>         | <b>182,667</b>                    |