

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

Board Of Trustees	O M Barry T J Bruce C W Hill C R C Holderness S J Shotton C P Salters Dr P K Basra T G F Sylvester
Charity number	1165778
Company number	09947772
Principal address	64A Pears Road Hounslow London TW3 1SR
Registered office	64A Pears Road Hounslow London TW3 1SR
Auditor	WSM Advisors Limited Connect House 133-137 Alexandra Road London 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 2022

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

- 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

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

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

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:

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C R C Holderness

Chair of trustees

HOUNSLOW MUSIC SERVICE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

For the year ended 31 March 2022

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

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

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

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

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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 funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
<u>Income and endowments from:</u>					
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
Total income		894,036	401,698	1,295,734	1,142,251
<u>Expenditure on:</u>					
Charitable activities	6	1,267,856	-	1,267,856	1,074,556
Net (expense)/income resources before transfers		(373,820)	401,698	27,878	67,695
Gross transfers between funds		401,698	(401,698)	-	-
Net income for the year/ Net movement in funds		27,878	-	27,878	67,695
Fund balances at 1 April 2021		356,546	-	356,546	288,851
Fund balances at 31 March 2022		384,424	-	384,424	356,546

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 £	£	2021 £	£
Fixed assets					
Tangible assets	11		158,016		195,960
Current assets					
Debtors	12	8,994		43,387	
Cash at bank and in hand		371,183		302,667	
		<u>380,177</u>		<u>346,054</u>	
Creditors: amounts falling due within one year	14	(113,769)		(105,468)	
Net current assets			266,408		240,586
Total assets less current liabilities			424,424		436,546
Creditors: amounts falling due after more than one year	15		(40,000)		(80,000)
Net assets			<u>384,424</u>		<u>356,546</u>
Income funds					
<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
Total charity funds			<u>384,424</u>		<u>356,546</u>

HOUNSLOW MUSIC SERVICE

BALANCE SHEET (CONTINUED)

As at 31 March 2022

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

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C R C Holderness

Trustee

Company Registration No. 09947772

HOUNSLOW MUSIC SERVICE

STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

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

HOUNSLOW MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

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

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

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

	Total 2022	Total 2021
	£	£
Grant receivable for core activities	401,698	402,420
	<u>401,698</u>	<u>402,420</u>
Donations and gifts	<u>-</u>	<u>-</u>
Grants receivable for core activities		
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 Income £	Parental Income £	Total 2022 £	Total 2021 £
Income from:				
Music education	655,158	223,421	878,579	524,294
Analysis by fund				
Unrestricted funds	655,158	223,421	878,579	
For the year ended 31 March 2021				
Unrestricted funds	362,801	161,493		524,294

5 Other income

	Total Unrestricted funds	
	2022 £	2021 £
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
	£	£
Expenditure on:		
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>
Analysis by fund		
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 Number	2021 Number
Teaching staff	60	55
Management & Administration	9	11
	<u>69</u>	<u>66</u>

Employment costs

	2022 £	2021 £
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 Number	2021 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 instruments £	Office equipment £	Total £
Cost			
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>
At 31 March 2022			
Depreciation and impairment			
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>
At 31 March 2022			
Carrying amount			
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 £	2021 £
Amounts falling due within one year:		
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 £	2021 £
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 £	2021 £
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 £	2021 £
Borrowings	<u>40,000</u>	<u>80,000</u>

16 Deferred income

	2022 £	2021 £
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 £	2021 £
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 April 2021 £	Movement in funds		Balance at 31 March 2022 £
		Incoming resources £	Resources expended £	
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 £	Restricted £	Total £
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 £	2021 £
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 £	2021 £
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
Cash generated from operations	112,581	118,512

HOUNSLOW MUSIC SERVICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2022

24 Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	371,183	302,667

25 Analysis of changes in net funds

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
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