

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 C W Hill C R C Holderness S J Shotton C P Salters Dr P K Basra T G F Sylvester D F S Rogers D B Meyer Cllr L Bath	(Appointed 30 June 2022) (Appointed 9 October 2023) (Appointed 11 July 2022)
<b>Charity number</b>	1165778	
<b>Company number</b>	09947772	
<b>Principal address</b>	64A Pears Road Hounslow London TW3 1SR	
<b>Registered office</b>	64A Pears Road Hounslow London TW3 1SR	
<b>Auditor</b>	WSM Advisors Limited Connect House 133-137 Alexandra Road London 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.*

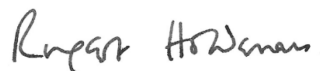
# **HOUNSLOW MUSIC SERVICE**

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

**For the year ended 31 March 2023**

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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**

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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 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**

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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*

**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 funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
<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/ 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 £	£	2022 £	£
<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 £	£	2022 £	£
<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 funds	Restricted funds	Total 2023	Total 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 Income £	Parental Income £	Total 2023 £	Total 2022 £
<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 funds	
	2023 £	2022 £
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 Number	2022 Number
Teaching staff	71	60
Management & Administration	7	9
	<u>78</u>	<u>69</u>

#### Employment costs

	2023 £	2022 £
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 Number	2022 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 instruments £	Office equipment £	Total £
<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 £	2022 £
<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 £	2022 £
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 £	2022 £
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 £	2022 £
Borrowings	-	40,000
	<u>-</u>	<u>40,000</u>

### 16 Deferred income

	2023 £	2022 £
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 £	2022 £
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 April 2022 £	Movement in funds			Balance at 31 March 2023 £
		Incoming resources £	Resources expended £	Transfers £	
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 April 2022	Movement in funds		Balance at 31 March 2023
	£	Incoming resources £	Resources expended £	£
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 £	Restricted £	Total £
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 £	2022 £
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 £	2022 £
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 £	2022 £
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 £	Cash flows £	At 31 March 2023 £
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>