

Charity registration number 1165778

Company registration number 09947772 (England and Wales)

# **HOUNSLOW MUSIC SERVICE**

**Annual report and financial statements**

**For the year ended 31 March 2024**

# HOUNSLOW MUSIC SERVICE

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Board Of Trustees</b>	O M Barry 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 Samia Chaudhary	(Appointed 9 October 2023) (Appointed 26 September 2024)
<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 2024

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The trustees, who are also the directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the charitable company's memorandum and articles, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

### Our Purpose and Activities

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

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

### The Year in Numbers

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

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

### First Access to music

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

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

### Continuation beyond first access

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

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

# **HOUNSLOW MUSIC SERVICE**

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

**For the year ended 31 March 2024**

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

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

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

### **Examinations**

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

### **Support for Schools**

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

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

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

### **Instrument Hire Scheme**

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

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

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

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

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

### **Bursaries and scholarships**

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

# **HOUNSLOW MUSIC SERVICE**

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

**For the year ended 31 March 2024**

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

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

### **Public benefit**

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

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

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

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

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

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

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

# HOUNSLOW MUSIC SERVICE

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

**For the year ended 31 March 2024**

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

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

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

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

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

### **Financial review**

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

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

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

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

# HOUNSLOW MUSIC SERVICE

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

For the year ended 31 March 2024

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### Investment Policy

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

### Teachers' Pension Scheme (TPS)

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

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

### Risk management

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

The main risks that Trustees have identified are:

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

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

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

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



# HOUNSLOW MUSIC SERVICE

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

For the year ended 31 March 2024

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### Going concern assessment

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

### Governance

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

### Trustee induction and training

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

### Organisation

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

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

### Health and safety, child protection and safeguarding

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

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

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



**Clare Paddi Salters**  
Chair of Trustees

# **HOUNSLOW MUSIC SERVICE**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**For the year ended 31 March 2024**

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

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

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

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

In so far as the trustees are aware:

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

# HOUNSLOW MUSIC SERVICE

## INDEPENDENT AUDITOR'S REPORT

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

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#### Opinion

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

In our opinion, the financial statements:

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

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

#### Other information

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

We have nothing to report in this regard.

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

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

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

# **HOUNSLOW MUSIC SERVICE**

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

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

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

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

# **HOUNSLOW MUSIC SERVICE**

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

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

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

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

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

*WSM Advisors Limited*

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

22 January 2025

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

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

# HOUNSLOW MUSIC SERVICE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2024

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

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

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



C P Salters  
Trustee

Company Registration No. 09947772

# HOUNSLOW MUSIC SERVICE

## STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

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



# HOUNSLOW MUSIC SERVICE

## STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 March 2024

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### 1 Critical accounting estimates and judgements

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

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

### 2 Accounting policies

#### Charity information

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

#### 2.1 Accounting convention

The accounts have been prepared in accordance with the charitable company's memorandum and articles, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charitable company is a Public Benefit Entity as defined by FRS 102.

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

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

#### 2.2 Going concern

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

#### 2.3 Charitable funds

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

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

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

#### 2.4 Incoming resources

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

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

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

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### 2 Accounting policies

(Continued)

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

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

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

#### 2.5 Resources expended

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

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

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

#### Expenditure for charitable purposes

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

#### Governance costs

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

#### 2.6 Tangible fixed assets

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

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

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

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

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

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### 2 Accounting policies

(Continued)

#### 2.7 Impairment of fixed assets

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

#### 2.8 Cash and cash equivalents

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

#### 2.9 Financial instruments

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

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

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

##### *Basic financial assets*

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

##### *Basic financial liabilities*

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

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

#### 2.10 Employee benefits

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

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

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

### 2 Accounting policies

(Continued)

#### 2.11 Retirement benefits

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

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

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

#### 2.12 Leases

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

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

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

### 3 Donations and legacies

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

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

### 4 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Interest receivable	55	-

### 5 Charitable activities

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

### 6 Other income

	Total Unrestricted funds 2024 £	2023 £
Other income	103	1,176

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

### 7 Charitable activities

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

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

### 8 Support costs allocated to activities

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

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

### 9 Board Of Trustees

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

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

### 10 Employees

#### Number of employees

The average monthly number of employees during the year was:

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

#### Employment costs

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

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

	2024 Number	2023 Number
£60,001 to £70,000	1	1

### 11 Taxation

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



# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

### 12 Tangible fixed assets

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

### 13 Debtors

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

### 14 Loans and overdrafts

	2024 £	2023 £
Other loans	-	40,000
Payable within one year	-	40,000

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

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

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

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

### 16 Deferred income

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

Deferred income is included in the financial statements as follows:

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

### 17 Restricted funds

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

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

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

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

### 18 Designated funds

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

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

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

### 19 Analysis of net assets between funds

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

### 20 Operating lease commitments

#### Lessee

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

### 21 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel was as follows:

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

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

### 22 Pension schemes

#### Teachers Pension Scheme

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

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

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

#### Local Government Pension Scheme

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

#### Defined Contribution Scheme

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

### 23 Company limited by guarantee

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

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

# HOUNSLOW MUSIC SERVICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

### 25 Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	249,188	320,992

### 26 Analysis of changes in net funds

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