

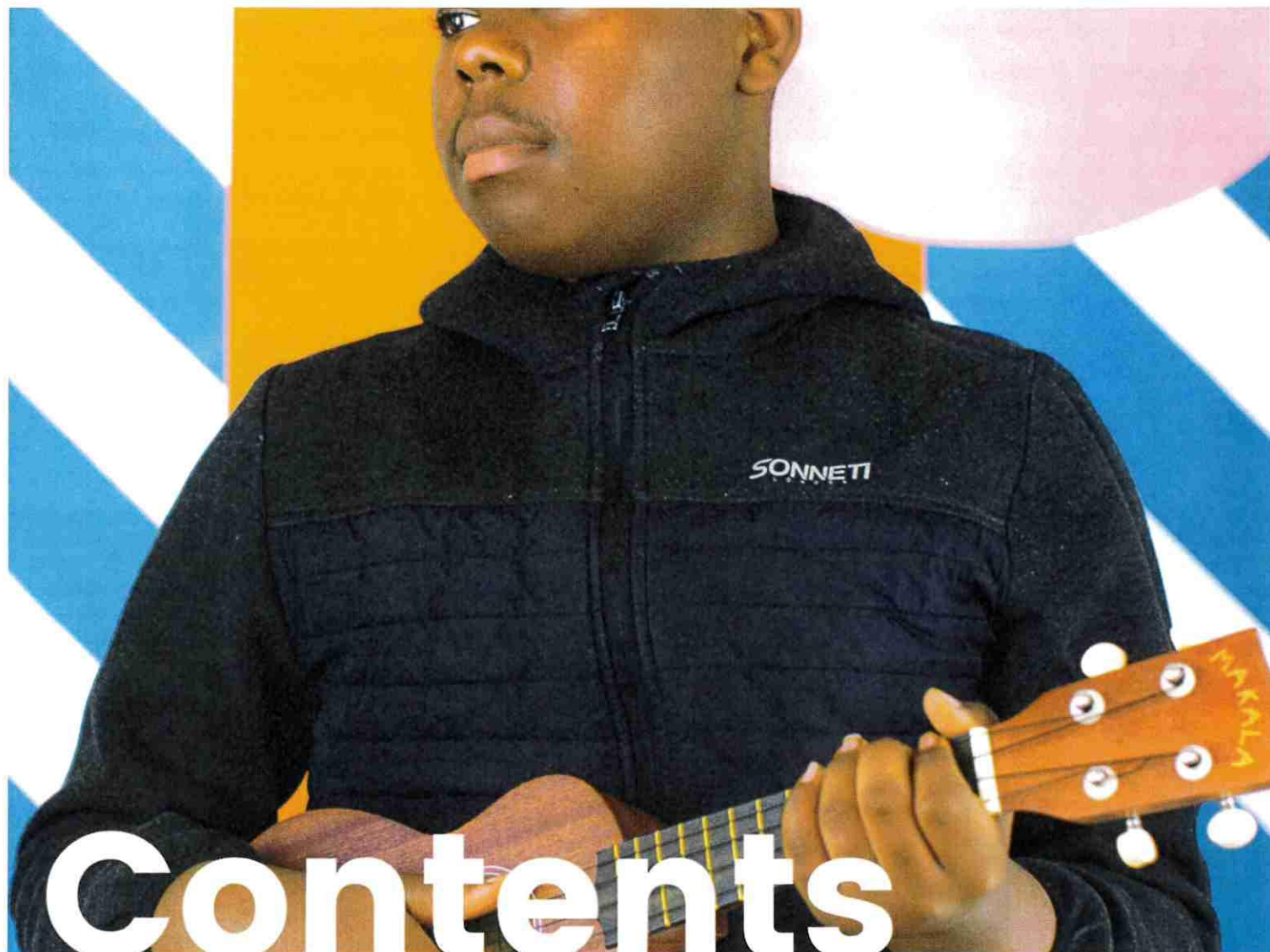
# **Report of the Trustees and audited financial statements**

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**for the year ended 31 March 2021  
for Lewisham Music (Registered  
Charity No. 1169721)**

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**Haines Watts, Chartered Accountants & Statutory Auditors  
Old Station House, Station Approach, Newport Street  
Swindon, Wiltshire, SN1 3DU**



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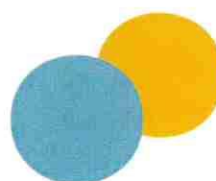
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# Report of the Trustees

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The financial statements cover the period from 1 April 2020 to 31 March 2021.

Cllr Chris Barnham	(appointed 27 September 2017)
Lydia Brookes	(appointed 27 September 2017)
Andrea Spain	(appointed 27 September 2017, resigned 9 November 2020)
Joan Ruddock	(appointed 20 March 2019)
Susie York-Skinner	(appointed 10 December 2018)
Fiona Lambert	(appointed 10 December 2018)
Conrad Hall	(appointed 10 December 2018, resigned 4 May 2020)
Collin Hills	(appointed 10 December 2018, resigned 11 October 2021)
Louise Alexander	(appointed 12 February 2020)
Robert Kigozi	(appointed 22 July 2021)
Audrey Bleazard	(appointed 22 July 2021)

<b>Chair</b>	Dame Joan Ruddock from March 2019
<b>Treasurer</b>	Louise Alexander
<b>Secretary</b>	Catherine Munday
<b>Chief Executive</b>	Charly Richardson

Lewisham Music was registered with Charity Commission on 17 October 2016 as a Charitable Incorporated Organisation (CIO), registered charity number 1169721. On 1 April 2017 Lewisham Music Service was transferred from Lewisham Council to Lewisham Music. Staff were transferred across under Transfer Undertakings (Protection of Employment) (TUPE) guidelines. Pre-transfer redundancy costs and Local Government Pension Scheme liabilities for transferring members have been underwritten by Lewisham Council for the lifetime of the charity.

There are 120 Music Education Hubs across England, which were established in 2012 after the Department for Education and the Department for Culture, Media & Sport published *'The Importance of Music: A National Plan for Music Education'*. Music Education Hubs are a collective of music education providers in a local-authority area, led by one organisation (often what would have formerly been known as a music service). Lewisham Music is the lead partner of the Music Education Hub for the London Borough of Lewisham.

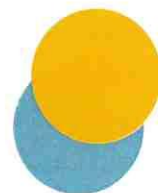
The National Plan for Music Education sets out Core and Extension objectives for Music Education Hubs:

### CORE ROLES

- Ensure that every child aged 5-18 has the opportunity to learn a musical instrument (other than voice) through whole-class ensemble teaching programmes for ideally a year (but for a minimum of a term) of weekly tuition on the same instrument.
- Provide opportunities to play in ensembles and to perform from an early stage.
- Ensure that clear progression routes are available and affordable to all young people.
- Develop a singing strategy to ensure that every pupil sings regularly, and that choirs and other vocal ensembles are available in the area.

### EXTENSION ROLES

- Offer Continuous Professional Development to school staff, particularly in supporting schools to deliver music in the curriculum.
- Provide an instrument loan service, with discounts or free provision for those on low incomes.





- c) Provide access to large scale and / or high-quality music experiences for pupils, working with professional musicians and / or venues. This may include undertaking work to publicise the opportunities available to schools, parents/carers and students.

These roles broadly act as the foundation of Lewisham Music's charitable work, and are the basis for our government remit and funding, which comes from Department for Education (DfE). Arts Council England (ACE) are the fund-holder for DfE's Music Hub Grant, and are responsible for monitoring the effectiveness of all Music Education Hub lead organisations, including Lewisham Music.

## STATEMENT FROM THE CHAIR OF TRUSTEES

The charity faced a major setback, like many cultural organisations, in March 2020 when the global Coronavirus pandemic forced our CEO and management team to react quickly to protect the income of our workforce and the range of activities and programmes we deliver.

Most of the workforce and programmes experienced a considerable reduction in work and delivery but we successfully accessed the government job retention scheme (furlough) guaranteeing continuous employment for over 50 members of staff. We also took the opportunity of partially furloughing staff whilst we trialled new virtual learning opportunities for our young people. These proved very successful. The charity was also awarded funding following a successful bid to the government's Cultural Recovery Fund (round 2) of £157,000 to build back the summer 2021 period of delivery as well as reflate the charity's reserves.

We are grateful to those partners and funders who awarded us grants, including Awards for Young Musicians which allowed the organisation to add to its bursary schemes. Support from funds such as Youth Music's Sonic Minds and Amplifying Voices will allow us to try new ways of working and reach new audiences in the new financial period. We are also grateful for the confidence of our other funders and stakeholders including our core funder Arts Council England.

In September 2021 the CEO and I hosted the charity's official premises launch, to celebrate our residency at our Bellingham base. Whilst the organisation had been based in the premises since July 2019 it took 18 months of hard work to develop, decorate and kit out the space for its intended use. This was an opportunity for existing and potential partners, as well as grant givers, to see the space in use and experience its full potential. It remains our overriding vision to offer a diverse and quality music education programme to the community we serve. In doing so we hope to enhance the aspirations and opportunities of our local children and young people and particularly those in challenging circumstances.

We want to support our community in cultural participation to help relieve stresses such as confinement and isolation post pandemic. It is also our aim to be a 'go to' space for local residents to experience arts and culture. I am pleased to be chairing a Board of talented Trustees who are committed to providing a vibrant and sustainable music service to our local community throughout this challenging time.

**Dame Joan Ruddock (Chair, Lewisham Music)**



## OUR AIMS, OBJECTIVES AND ACTIVITIES

### AIMS & OBJECTIVES

Lewisham Music's primary charitable aim is to offer all children and young people across the London Borough of Lewisham a diverse range of musical opportunities. Our target audience is 5–18-year-olds, as this is the age-group linked to our core funding from DfE/ACE. However, we also have an ambition to attract funding so that we can do more work with Early Years and Foundation age children (0–5-year-olds) and with adults.

We are an education-focused charity that delivers high-quality teaching across a range of musical instruments and styles. [The National Plan for Music Education](#), [Music in schools: What Hubs must do](#) and the [Model Music Curriculum](#) have all emphasised the fact that Music Education Hubs must put themselves at the heart of music in their area, offering not just services but also expertise and professional support. Lewisham Music is here to support and enhance the music curriculum delivered within schools, and to link this with opportunities being offered by local arts organisations.

We are committed to providing extension and progression opportunities for young musicians through after-school, weekend and holiday activities in the community. We operate after-school music groups on a Friday; a Saturday Music Centre (which includes bands, choirs, ensembles, music theory lessons and individual tuition); and after-school instrumental tuition, choirs, ensembles, and creative holiday programmes at our new premises at The Fellowship. In addition, we offer young people the opportunity to perform in a range of community and professional settings.

Alongside our work as a provider and supporter of quality music education, we are increasingly broadening our work to include programmes that specifically position Lewisham Music as a community-focused charity that uses music to deliver social outcomes.

### ACTIVITIES

Activities currently delivered directly by Lewisham Music both within schools and community settings include:

- **Whole Class Ensemble Tuition (WCET)** offering primary school classes the opportunity to learn an instrument for free
- **Individual and small group instrumental and vocal/singing lessons**
- **Ensembles, choirs, bands**
- **Music theory/musicianship classes**
- **Instrument hire** so young people can try an instrument without having to purchase one
- **Music production** classes and use of a range of **music technology**, including Assistive Music Technology
- **Rap and lyricism** and **song writing**
- Access to musical resources including **e-learning** and music production software
- **Live events and concerts**
- **Professional musical experiences** with partner organisations
- Targeted, **socially focused programmes** aimed at disadvantaged young people, e.g., Looked After Children.

These activities cover a broad range of instruments and styles; everything from classical violin and concert bands to folk and jazz groups, rap collectives, pop choirs, Samba groups, rock bands and much more.

As the lead partner of Lewisham Music Education Hub, we have a remit to connect and support the wider ecosystem of music education in the borough and beyond. This means delivering networking opportunities, training, Continuing Professional Development and professional advice and support for staff from Lewisham Music, Lewisham schools and partner organisations.

During 2020-2021, Lewisham Music had 9 office/management staff (a mix of part-time and full-time positions) and a freelance project producer. We had just over 50 Music Tutors who deliver activities on a PAYE, variable-hours basis.



## OUR MISSION AND VALUES

We believe that all children and young people in the borough of Lewisham should have access to a diverse range of high-quality, inspirational musical activities which are appropriate for their ability and aligned to their interests. Music is a joy within itself and should be valued as such. However, we are passionate about the other benefits that music can bring to young people's skills and development; their personal and social confidence and sense of self-worth; creativity and self-expression; and their longer-term ambitions, aspirations, and achievements. Music has been proven to have a transformational impact on positive wellbeing and mental health.

Equity, diversity and inclusion is at the heart of what we do. We are passionate about overcoming barriers to participation for all young people, whether that be due to an additional need or disability, geography, financial barriers or other systemic issues. We are working hard to seek investment and skills to make music education more equitable, and currently have programmes that work specifically with Looked After Children, young asylum seekers, and children from low-income families.

Lewisham Music is inspired by the impact that music can have on our sense of community and young people's sense of individual and collective identity. We value the rich diversity of the area we serve, and are working hard to ensure that this diversity is reflected in our activities and workforce. We want young people from different backgrounds to see themselves reflected in the work of the charity, and to be able to engage with our work as confident individuals with their own unique identity. We believe that all musical styles are valuable and should be open to all young people, but are also careful to ensure that our work is authentic and the cultural context of different musical traditions is valued.

Everything Lewisham Music offers is subsidised using our funding from Arts Council England. We offer a range of additional subsidies and discounts for our community programmes, and also support young musicians in schools through bursary schemes delivered in partnership with [London Music Fund](#) and Awards for Young Musicians' [Further Talent](#) programme. We strongly encourage all schools to utilise Pupil Premium money to further support pupils who may have the desire but not the means. We work hard to attract new investment into the community, and are constantly striving to balance the need to offer activities that are value for money and accessible, with our responsibilities for programme sustainability and organisational financial stability. Education, music, the arts sector and indeed society in general are continually evolving.

We strongly believe in the value of training, professional development and lifelong learning for all our staff. Lewisham Music is committed to our own organisational development, ensuring that our offer stays fresh, relevant and high-quality.

We believe that to achieve the best outcomes for the young people and communities we work with, we should constantly be reviewing, improving and expanding our offer in a way which is equitable and sustainable. We want the communities, parent/carers and young people who are beneficiaries of our work to have a say in the way the charity develops, hence we are building community consultation and youth voice into a number of our programmes.

## PARTNERSHIPS

Our *Sounds of Lewisham* network is comprised of the following Hub partner organisations:

- Goldsmiths College, University of London
- Midi Music
- The Albany
- Trinity Laban Conservatoire of Music and Dance
- Heart n Soul
- Lewisham Education Arts Network (LEAN).

These partners have active programmes of work delivered together, and the network ensures that the offer in the geographical area is well connected and that we are signposting young people to each other's activities. The group also allows us to look at wider strategic priorities such as fundraising, workforce development and borough-wide events and festivals.

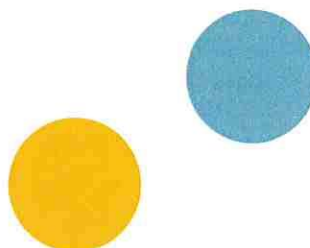
The group is sometimes extended to include Horniman Museum and Gardens, Unit 137, Fairbeats, and Blackheath Halls (who we also work with directly.)

We also work with other regional and national organisations including:

- **Charanga:** e-learning resource provider used in schools and community settings
- **London Symphonic Orchestra:** 'LSO On Track' offers masterclasses, performance opportunities, and teaching training
- **London Philharmonic Orchestra:** educational resources and training, 'Open Sound Ensemble' for special schools
- **Music Mark:** sector support, training and advocacy
- **Sound Connections:** Research, youth voice, training
- **Open Up Music:** Open Orchestra at Greenvale school
- **Arts Train:** co-delivered community projects
- **London Music Fund and Awards for Young Musicians:** bursary schemes.

And we are developing partnerships with the following local community organisations and networks to enable us to strengthen referral routes and understand local need:

- Lewisham's Virtual School for Looked After Children
- Lewisham Young Carers service
- Phoenix Community Housing
- Youth First
- Bellingham Community Project
- Bellingham Regenerations Arts Group
- Bellingham Community Response Network
- Lewisham Local
- Voluntary Action Lewisham.



Finally, we work closely with Music Education Hubs from across the country, and currently have active programmes being delivered in partnership with Lambeth, Greenwich, Southwark, Bexley and Bromley.

## ACHIEVEMENTS AND PERFORMANCE 2020-2021

### COVID-19's IMPACT

Covid-19 has proved an enormous challenge to Lewisham Music. When we were forced to cease trading on March 20th, 2020, by Department for Education (but were still liable to pay Music Tutors for their work), the financial risk was huge. Thankfully we were able to take advantage of the Coronavirus Job Retention Scheme, which greatly stabilised the organisation.

Most staff (51/51 Music Tutors and 3/8 office/management staff) were furloughed during the summer term of 2020 (as a government 'blanket ban' on face-to-face provision of music education in schools and community settings remained), and our activity output was severely limited. A core team remained keeping the organisation going and providing online activities. We quickly innovated, training staff in how to deliver activities online, setting up processes for doing so and creating new guidance and policies to ensure we did so safely. From June 2020 we partially de-furloughed some Music Tutors and started delivering a limited number of online activities for individuals, small groups and whole classes. This included live instrumental lessons and choirs, pre-recorded content and additional resources. We also created Lewisham Lounge Fest, an online music festival showcasing the musical talent of the borough in the midst of the pandemic.

As in-school Government guidance was relaxed on 28th August we were able to move to a new stage in our response, and the first half of the Autumn term 2020 was focused on safely getting back into as many schools as possible. Specific DfE guidance on musical activities meant that there were significant risk-mitigations needed, (utilising larger spaces, extra cleaning, ventilation and use of PPE) especially around singing, woodwind and brass. All our staff and



school staff worked hard to make as many programmes happen 'in real life' as possible, those that were logistically impossible to deliver were either delivered online or programmes were suspended and staff furloughed.

DfE's strict Out-of-Schools settings guidance meant that reopening after-school music groups and Saturday Music Centre had remained out of reach. Online alternatives were offered where possible. In addition, the launch of our new premises at The Fellowship in Bellingham (scheduled for May 2020) was postponed.

In March 2021, we received news that we were successful in our application to Round 2 of DCMS' Culture Recovery Fund. We received a total of **£157,195** to cover lost income, additional PPE and instruments, and to reflate charity reserves. This will go a long way towards stabilising the organisation in the 2021-2022 financial year.

It is not yet appropriate to say that we are in the 'recovery' stage, as the pandemic is very much still affecting our day-to-day operations. However, despite the significant challenges that remain, we are considerably more stable as an organisation than in the first few months of the pandemic, and are proud of the way our staff have innovated to keep the charity going.

## NOTABLE ACHIEVEMENTS & DEVELOPMENTS

- Despite severe Covid-restrictions, during the 2020-2021 year we were able to deliver:
  - Over 273 hours of tuition in schools per week (79% of pre-Covid activity levels)
  - Individual instrumental tuition to 40 Saturday Music Centre pupils online (43% compared to pre-Covid Levels)
  - Live music theory classes online to 15 Saturday Music Centre pupils
  - Concert Band and over half of Saturday Music Centre ensembles/groups online (Rock Band, Creative Composition, Beginner Strings, Intermediate Strings, Saturday Chamber Ensemble and Samba).
- Open Orchestra -our creative music ensemble for young people with disabilities (in partnership with Open Up Music and Greenvale School)- was renewed and continued online whilst schools were closed.
- Promotion of our Senior Administrator to Communications, Marketing & Programmes Manager, enabled us to greatly improve our PR, design, communications and marketing strategy.
- A series of rap and lyrics masterclasses delivered online by Kenny Baraka.
- Creation of a free weekly online 'Zooooom Choir' delivered by Vocal Leader Clare Caddick.
- Creation of the [#MusicMadeMe](#) campaign which highlights the impact of our work on individual children and young people.
- Equipped rooms at our new premises at The Fellowship ready for launch, and received the blessing of a number of local Lewisham musical artists and groups to name rooms after them: Ray BLK, Theon Cross, Novelist, Hannah Kendall and Vocalize
- A number of funding successes, notably Youth Music funding for our '*Amplifying Voices*' equity, diversity and inclusion programme.

## ANNUAL FEEDBACK LETTER FROM ARTS COUNCIL ENGLAND

The following quotes give a good idea of how our main fund holder has viewed our progress this year:

- 'The considerable logistical and practical challenges you have faced in the pandemic cannot be understated, with the furloughing of all your employed teaching staff, **it is a credit to you that this level of online tuition and CPD for teachers has been maintained.** You have made full use of the government schemes available and **have shown yourselves to be resilient and responsive in the face of the crisis.**'

- **'Lewisham Music has been highly active as a partner**, including the longstanding work with Trinity Laban and The South Riverside Music Partnership on Animate Orchestra, and in your partnerships with Sound Connections (Music Lab), LEAN and The Albany to deliver creative projects. You are also actively engaged with Lewisham Live, Open Up Music and Greenvale School on Open Orchestra, plus a wide range of national organisations, many of which are NPOs, such as the Southbank Centre, Tomorrow's Warriors and Arts Train.'
- **'Lewisham Music's local significance and impact is also apparent** with your involvement in Phoenix Community Housing, the Bellingham Regeneration Arts Group, The Lewisham Cultural Enterprise Zone, Bellingham Community Response Network, Voluntary Action Lewisham and Youth First among others and **shows how embedded you are in the local community**. This has further been strengthened with the appointment of a Community Music Manager to engage as widely as possible and to attract resources into the Borough. **We also note your work with alternative education settings, including the Virtual School and the Looked After Children Service, and in particular your programme for unaccompanied asylum-seeking children**. These initiatives, along with other areas of your wider work, are informed by your comprehensive needs analysis of the borough, and in particular you are growing the role of Youth Voice in your planning: the outcomes of the Sound Connections/Music Lab project in this respect will be informative.'





## FUTURE PLANS

Notable plans for 2021-2022 include:

- Prioritising financial and operational stability as we recover from the worse effects of Covid-19
- Creation and trial of new Hybrid-working policies as the office/management team return to work post-lockdown
- Mini restructure of core/management staff to ensure we are efficient and have the capacity needed to grow sustainably. This will include the creation of a new Community Programme Producer role to support the programme at The Fellowship
- Launch of our new premises at the Fellowship, including a series of promotional films, and launch events for local partner organisations politicians and press.
- Promotion of Saturday Music Centre and after-school groups to get pupil numbers to pre-Covid levels
- Review of school programmes, in order to relaunch our offer in advance of September 2022
- Review of operational systems and processes to ensure that we can work effectively and effectively as the charity evolves and grows
- Strengthening of delivery and referral partnerships
- Delivery of new socially focused programmes, including one focusing on the mental health of vulnerable young people
- Recruitment of specialist Song writing, Rap & Lyricism and Music Production/Technology tutors
- Recruitment of new Trustees including two Young Trustees (under 25)
- Engagement of the existing Music Tutor workforce through consultation and training; work towards diversifying our future workforce through a recruitment review and consultation as part of our '*Amplifying Voices*' equity, diversity and inclusion programme
- Significant work on fundraising, and the exploration of individual and corporate sponsorship.



## STRUCTURE, GOVERNANCE AND MANAGEMENT RISK MANAGEMENT

## LEWISHAM MUSIC- RISK REGISTER (updated October 2021)

POTENTIAL RISK	POTENTIAL IMPACT (1-5)	LIKELIHOOD (1-5)	OVERALL RISK SCORE (IMPACT x LIKELIHOOD) + IMPACT	PREVENTATIVE ACTIONS	ACTIONS IF RISK OCCURS	RESPONSIBILITY	MONITORING	REVIEW DATE/FREQUENCY
High Court judgement pending on Ms Brazel vs. The Harper Trust. This may result in holiday pay entitlement for sessional workers (including LM tutors) increasing again, from 12.07% to up to 17.5%	5	3	20		-Hourly pay would need to be reduced to balance out the additional holiday pay entitlement. This would involve significant consultation and changes to terms, but the alternative would be closure of the peripatetic tuition side of the charity.	CR/EC	CR/EC/Board	Quarterly
Sustained loss of traded income due to Covid-19 means that cuts in core staffing/costs are necessary	4	3	16	-Continued flexibility from ACE in terms of 80/20% use of grant split. -Work to rebuild relationships with schools/parents/carers.	-Seek Government financial support. -Consider limited redundancies. -Consider removing Teachers Pension. -Business model review- some programmes may no longer be viable.	CR/EC	CR/EC/Board	Quarterly
Staff costs and structures transferred under TUPE not affordable for the new charity	4	3	16	-Identify new income and funding streams. -Careful financial modelling and monitoring to improve fiscal resilience. -Continue to encourage TUPE staff to move to LM pay scales.	-Research financial and legal options for reducing costs and re-structuring staff contracts. -Consult workforce and unions. -Research alternative pension options. -Adjust/cut services/staffing.	CR/EC	CR/EC/Board	Quarterly
DfE stops funding Teachers Pensions increase from 2022	4	3	16	-Identify new income and funding streams.	-Tutors can voluntarily move to People's Pensions, and LM will pay employer and employee contributions. -Move tutors out of TPS to People's Pensions (severe option). -Adjust/cut services/staffing.	CR/EC	CR/EC/Board	Nov. 2021
Hours of delivery in schools reduce due to school budget changes	3	3	12	-In School Offer Review, model full-cost of activity, to ensure schools realise the level of value/subsidy they are getting. -Improve comms and promotional strategy to engage schools. -Continue to build relationships with schools.	-Activity in schools just about recovers cost (not including admin/backroom costs). Therefore, there is a limited financial risk as expenditure should drop roughly in-line with income. -The main impact would be regarding our delivery output and therefore our impact on the young people of Lewisham, and how ACE view us.	CR/SP	CR/SP/Board	January 2021
DfE funding for music education hubs is withdrawn or reduced from 2022	5	1	10	-Seek advice from DfE, ACE, Music Mark, other music services and hubs. -Ongoing advocacy and lobbying to Government and other stakeholders. -Identify new income and funding streams e.g. subscriptions with Gift Aid, new markets, trusts and foundations.	-Lewisham Music unlikely to survive without core grant, therefore it is likely redundancy notices will need to be issued as soon as cessation of/reduction in funding is confirmed. -Where possible, adhere to Lewisham Music's reserves policy: a minimum of 3 months operating costs +20%.	CR	CR and Board	January 2021
The Fellowship & Star is no longer financially viable	3	2	9	-Maintain and build on positive relationship with Phoenix Community Housing. -Ensure 10-15% of new funding goes towards core running costs, where possible. -Identify new income and funding streams and potentially private or corporate sponsorship. -Seek funding to cover costs. -Seek permanent rent holiday from PCH.	-Find new office premises and continue to rely on school premises for out-of-school activity. -The main impact would be reputational.	CR/EC	CR/EC/Board	Quarterly

Red - major or extreme/catastrophic risks that score 15 or more  
Yellow - moderate or major risks that score between 8 and 14  
Blue or green - minor or insignificant risks scoring 7 or less



## OBJECTIVES AND ACTIVITIES

### Public benefit

The charity trustees have complied with their duty to have due regard to the guidance on public benefit published by the Commission in exercising their powers or duties.

The public benefit is that young people develop their musical, social and cultural skills through participation in Lewisham Music's activities and those of its partners and schools. The charity's provision of musical education through access to guidance and support from expert practitioners, and to facilities, equipment and services, enhances the conditions of life of the young people involved. Young people's families also benefit through attendance at live events and other opportunities to celebrate their children's achievements.

## FINANCIAL REVIEW

### Financial position

The financial position of the charity at the year-end is set out on page 21.

The ACE grant has been confirmed until 31 March 2022 with exact allocations to be announced in spring 2021. The national allocation for 2021-2022 remains the same level as 2020-2021 at £76m. The trustees have no reason to believe Lewisham Music will not receive their allocation.

We will continue to monitor school delivery to ensure schools income remains strong, and our strategic planning and review of the staffing, business, and management needs of the organisation will include a focus on expanding our ability to fundraise from a wider range of sources.

As explained in note 15 the charity's share of the deficit of the Local Government Pension Scheme at 31 March 2021 is included in the Balance Sheet in accordance with FRS 102. This deficit amounted to £156,000 (2020 £86,000).

### Reserves Policy

Total reserves as at 31 March 2021 was £312,855 (£410,113 in 2020) of which £199,081 (£172,422 in 2020) represented unrestricted funds and £20,250 (£21,590 in 2020) represented restricted funds. The charity also held a designated instrument fund of £249,524 (£298,101 in 2020) and a negative pension reserve relating to the LGPS of £156,000 (2020 £82,000).

The trustees have decided that it is prudent to carry a reserve of three months of salary, premises costs and contractual obligations and as at 31 March 2021, this amounted to £222,321 (£195,334 in 2020).

At 31 March 2021 the charity had free reserves (unrestricted reserves not tied up in fixed assets) of £180,712 (£162,277 in 2020) and the trustees are taking steps to work towards carrying a reserve as outlined above.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an incorporated charity.

Lewisham Music was incorporated on 17 October 2016. It is a Charitable Incorporated Organisation (CIO), registered number 1169721. The governing document is the charity's constitution agreed on 12 September 2016.

Trustees are appointed and recruited by the Board by advertisement and interview. Upon selection they are required to complete an enhanced DBS check. There are currently 9 trustees - a former local Member of Parliament, arts education professionals, a PR specialist, a Council Cabinet Member, a business development specialist and a charity finance accountant (who is our Treasurer).

The Chief Executive is responsible for the day to day running of the organisation and line manages the Business & Operations Manager, Schools Music Leader, Community Music Manager, and Communications, Marketing and

Programme Manager. There are four other office/management positions that are not directly line-managed by the CEO. There are 59 Music Tutors who deliver activities.

The Chief Executive takes decisions on a day-to-day basis with support from managers, and refers to the Chair where appropriate. The Business & Operations Manager is responsible for financial management and for the provision of finance reports to Trustees at quarterly meetings. Minutes are taken by an independent clerk and made available to the charity's principal funder, Arts Council England.

Strategic decisions are taken by the Board of Trustees with regard to the direction of the work carried out by Lewisham Music and the use of grants, earned income and charitable funds. Designated Board members and Committees have specific responsibilities for Safeguarding, HR and Finance. Trustees with designated roles report back to the Board before strategic decisions are taken.

Lewisham Music is a member of Music Mark, the national organisation supporting the work of music services and Hubs, and music education practitioners. Arts Council England monitors the work of all music hubs and releases funding quarterly subject to provision of required documentation.

In its role as a Music Education Hub, Lewisham Music collaborates with over 30 local and regional music and arts organisations in addition to all of the London Borough of Lewisham's maintained schools, free schools and academies.

Staff transferring to Lewisham Music under TUPE currently retain Lewisham Council pay and terms and conditions. Contracts, Job Descriptions and pay points for new staff are determined by the CEO in consultation with the Board of Trustees.





## REFERENCE AND ADMINISTRATIVE DETAILS

### Registered Charity number

1169721

### Principal address

First Floor, The Fellowship & Star  
Randlesdown Road  
Bellingham  
London  
SE6 3BT

## REFERENCE AND ADMINISTRATIVE DETAILS

### Auditors

Haines Watts  
Chartered Accountants & Statutory Auditors  
Old Station House  
Station Approach  
Newport Street  
Swindon  
Wiltshire  
SN1 3DU



## STATEMENT OF TRUSTEES' RESPONSIBILITIES

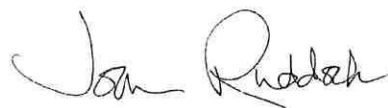
The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed require the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on .....24<sup>th</sup> January 2022..... and signed on its behalf by:



.....

Joan Ruddock – Chair of the Trustees





# Report of the Independent Auditors

**Opinion**

We have audited the financial statements of Lewisham Music (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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.

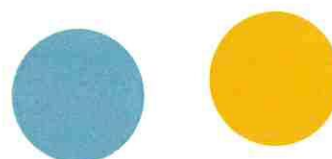
**Conclusions relating to going concern**

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 charity'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 trustees with respect to going concern are described in the relevant sections of this report.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charity's operations, funders, suppliers and wider economy. The trustees' view on the impact of COVID-19 is disclosed in the accounting policies note on page 21.





### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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 obtained an understanding of the legal and regulatory framework applicable to both the charity itself and the environment in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Companies Act 2006, UK GAAP (FRS102), Charities Act 2016 and relevant tax legislation.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquires of trustees and management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.





**Use of our report**

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

*Haines Watts*

Haines Watts

Chartered Accountants & Statutory Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Old Station House

Station Approach

Newport Street

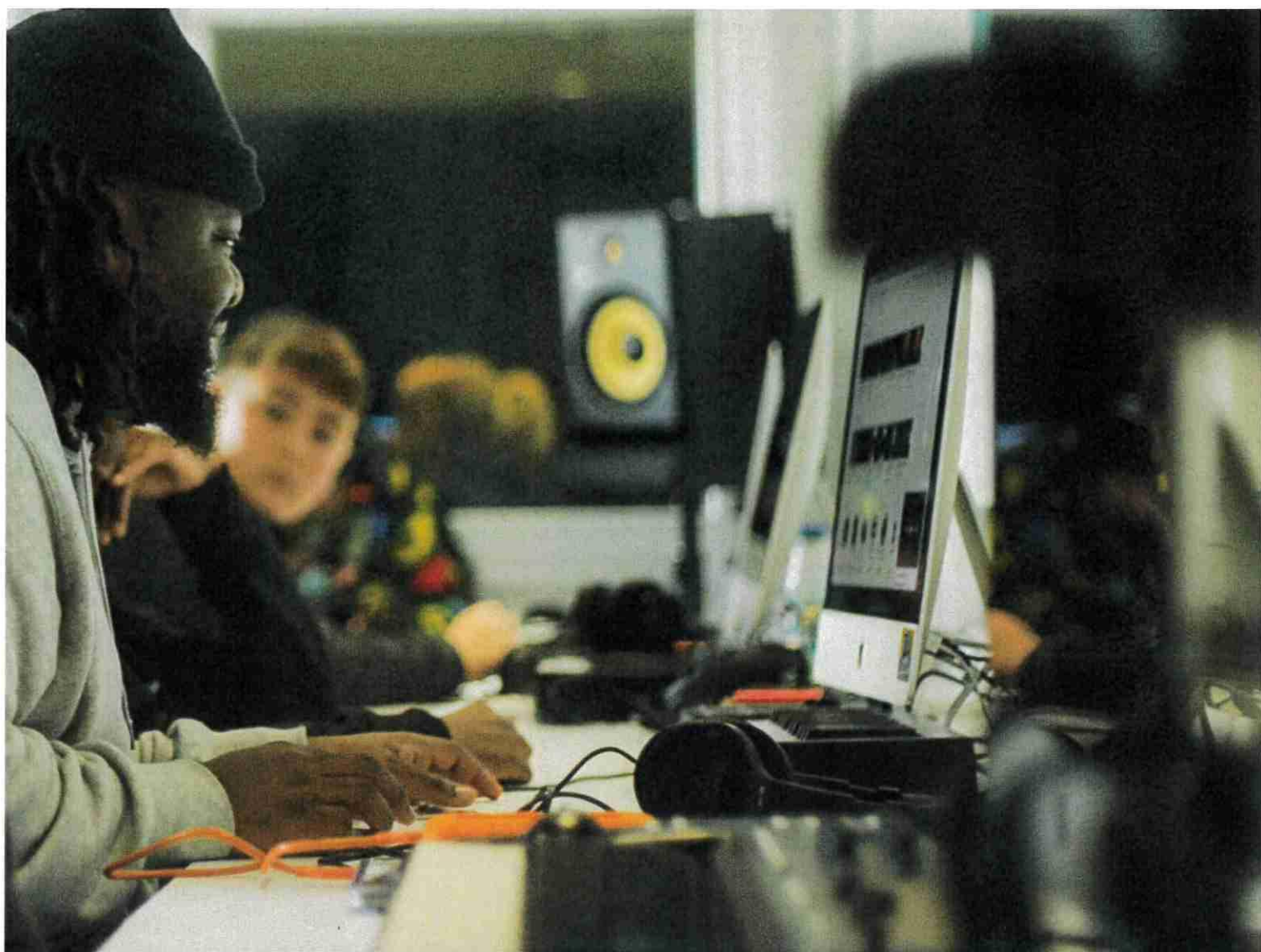
Swindon

Wiltshire

SN1 3DU

Date: *25 January 2022*





# Statement of Financial Activities





	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	213,223	437,083	650,306	436,152
<b>Charitable activities</b>					
Education	4	240,984	-	240,984	569,241
Investment income	3	<u>109</u>	<u>-</u>	<u>109</u>	<u>338</u>
<b>Total</b>		454,316	437,083	891,399	1,005,731
<b>EXPENDITURE ON</b>					
Raising funds	5	26,959	-	26,959	18,986
<b>Charitable activities</b>	6				
Education		226,431	426,850	653,281	835,647
Arts and culture (performances)		171,933	-	171,933	143,602
Recreation of social welfare		<u>75,484</u>	<u>-</u>	<u>75,484</u>	<u>53,159</u>
<b>Total</b>		<u>500,807</u>	<u>426,850</u>	<u>927,657</u>	<u>1,051,394</u>
<b>NET INCOME/(EXPENDITURE)</b>		(46,491)	10,233	(36,258)	(45,663)
Transfers between funds	15	<u>11,573</u>	<u>(11,573)</u>	<u>-</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>					
Actuarial gains/(losses) on defined benefit schemes		<u>(61,000)</u>	<u>-</u>	<u>(61,000)</u>	<u>48,000</u>
<b>Net movement in funds</b>		(95,918)	(1,340)	(97,258)	2,337
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<u>388,523</u>	<u>21,590</u>	<u>410,113</u>	<u>407,776</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		292,605	20,250	312,855	410,113



# Statement of Financial Position

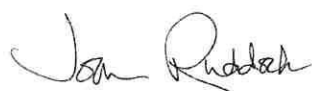


## STATEMENT OF FINANCIAL POSITION 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	11	267,893	-	267,893	308,246
<b>CURRENT ASSETS</b>					
Debtors	12	37,775	-	37,775	48,126
Cash at bank		<u>228,329</u>	<u>20,250</u>	<u>248,579</u>	<u>248,687</u>
		266,104	20,250	286,354	296,813
<b>CREDITORS</b>					
Amounts falling due within one year	13	(85,392)	-	(85,392)	(112,946)
<b>NET CURRENT ASSETS</b>		<u>180,712</u>	<u>20,250</u>	<u>200,962</u>	<u>183,867</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		448,605	20,250	468,855	492,113
<b>DEFINED BENEFIT PENSION SCHEME LIABILITY</b>	14	(156,000)	-	(156,000)	(82,000)
<b>NET ASSETS</b>		<u>292,605</u>	<u>20,250</u>	<u>312,855</u>	<u>410,113</u>
<b>FUNDS</b>	15				
Unrestricted funds				199,081	172,422
Designated funds (instruments)				249,524	298,101
Pension liability	16			(156,000)	(82,000)
Restricted funds				<u>20,250</u>	<u>21,590</u>
<b>TOTAL FUNDS</b>				<u>312,855</u>	<u>410,113</u>

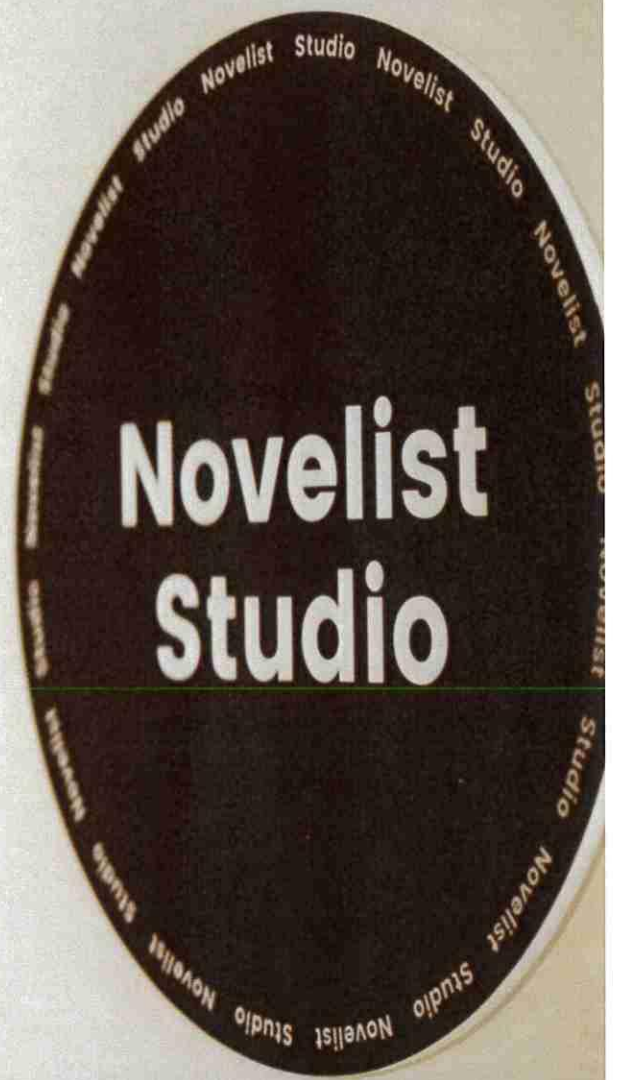
The financial statements were approved by the Board of Trustees and authorised for issue on

.....24<sup>th</sup> January 2022 ..... and were signed on its behalf by:



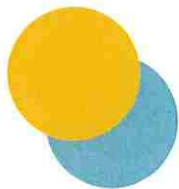
Joan Ruddock –Chair of Trustees

The notes form part of these financial statements



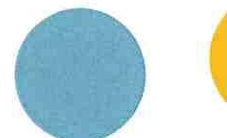
# Statement of Cash Flows





# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>22,301</u>	<u>17,227</u>
Net cash provided by operating activities		<u>22,301</u>	<u>17,227</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(22,518)	(11,111)
Interest received		<u>109</u>	<u>338</u>
Net cash used in investing activities		<u>(22,409)</u>	<u>(10,773)</u>
Change in cash and cash equivalents in the reporting period		(108)	6,454
Cash and cash equivalents at the beginning of the reporting period		<u>248,687</u>	<u>242,233</u>
Cash and cash equivalents at the end of the reporting period		<u>248,579</u>	<u>248,687</u>



The notes form part of these financial statements



# Notes to the Statement of Cash Flows

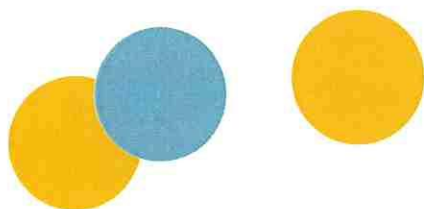


## 1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
<b>Net expenditure for the reporting period (as per the Statement of Financial Activities)</b>	(36,258)	(45,663)
<b>Adjustments for:</b>		
Depreciation charges/impairment	62,871	76,718
Loss on disposal of fixed assets	-	447
Interest received	(109)	(338)
Decrease/(increase) in debtors	10,351	(32,184)
(Decrease)/increase in creditors	(27,554)	15,247
Difference between pension charge and cash contributions	<u>13,000</u>	<u>3,000</u>
<b>Net cash provided by operations</b>	<u>22,301</u>	<u>17,227</u>

## 2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/20 £	Cash flow £	At 31/3/21 £
<b>Net cash</b>			
Cash at bank	<u>248,687</u>	<u>(108)</u>	<u>248,579</u>
	<u>248,687</u>	<u>(108)</u>	<u>248,579</u>
<b>Total</b>	<u>248,687</u>	<u>(108)</u>	<u>248,579</u>





# Notes to the Financial Statements



## 1. ACCOUNTING POLICIES

### Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the entity and is rounded to the nearest £.

### Going concern

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the Trustees have tested their cash flow analysis to take into account the impact on the charity of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

### Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

### Allocation and apportionment of costs

Support costs are allocated between activities based on staff time. See note 7.

### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life as follows:-

Office equipment	-	20%	Straight line
Instruments	-	20%	Straight line
IT Equipment	-	33.33%	Straight line

### Taxation

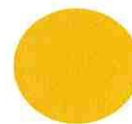
The charity is exempt from tax on its charitable activities.

### Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.



## 1. ACCOUNTING POLICIES - continued

### Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

### Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

### Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount.

## 2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	26,645	26,644
Grants	<u>623,661</u>	<u>409,508</u>
	<u>650,306</u>	<u>436,152</u>

Grants received, included in the above, are as follows:

	2021	2020
	£	£
Arts Council England	416,162	409,508
Government grant – Coronavirus Job Retention Scheme	202,499	-
Lewisham Council - COVID-19 small business grant	<u>5,000</u>	<u>-</u>
	<u>623,661</u>	<u>409,508</u>



**3. INVESTMENT INCOME**

	2021	2020
	£	£
Deposit account interest	<u>109</u>	<u>338</u>

**4. INCOME FROM CHARITABLE ACTIVITIES**

	2021	2020
	£	£
Education	<u>240,984</u>	<u>569,241</u>

**5. RAISING FUNDS****Raising donations and legacies**

	2021	2020
	£	£
Support costs	<u>24,459</u>	<u>18,986</u>

**6. CHARITABLE ACTIVITIES COSTS**

	Activities undertaken directly £	Support costs £	Total £
Education	297,429	355,852	653,281
Arts and culture (performances)	91,057	80,876	171,933
Recreation of social welfare	-	<u>75,484</u>	<u>75,484</u>
	<u>388,486</u>	<u>512,212</u>	<u>900,698</u>

**7. SUPPORT COSTS**

	Governance costs £
Education	<u>14,133</u>

**7. SUPPORT COSTS - continued**

Support costs	Raising funds £ 5%	Education £ 66%	Arts & culture (performances) £ 15%	Recreation of social welfare £ 14%	2021 £	2020 £
Governance	637	8,407	1,911	1,783	12,738	8,751
Staff costs	19,903	262,717	59,709	55,728	398,057	226,262
Finance	156	2,064	469	438	3,128	2,272
Human Resources	341	4,498	1,022	954	6,815	7,970
Information technology	339	4,469	1,016	948	6,771	7,854
Premises	1,146	15,127	3,438	3,209	22,920	16,635
General office	770	10,164	2,310	2,156	15,400	8,460
Travel	49	644	146	137	976	3,240
Equipment hire and maintenance	89	1,174	267	249	1,776	6,330
Depreciation/impairment	2,997	39,559	8,991	8,391	59,938	76,665
Other professional fees	540	7,132	1,621	1,513	10,806	15,271
Other	(8)	(103)	(23)	(22)	(156)	-
	<u>26,959</u>	<u>355,852</u>	<u>80,876</u>	<u>75,484</u>	<u>539,171</u>	<u>379,711</u>

Included in governance costs is £3,500 auditors' remuneration and £1,500 for other services.

**8. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.



**9. STAFF COSTS**

	2021 £	2020 £
Wages and salaries	602,984	654,405
Social security costs	36,531	39,955
Other pension costs	<u>121,396</u>	<u>127,825</u>
	<u>760,911</u>	<u>822,185</u>

The average monthly number of employees during the year was as follows:

	<u>2021</u>	<u>2020</u>
	61	69

One employee received emoluments between £60,000 and £69,999.

The total amount of employee benefits received by key management personnel is £223,043 (2020 £215,730). The Trustees consider the CEO, Schools Music Leader, Business Manager, and the Community Music Manager to comprise the key management personnel.

**10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	16,275	419,877	436,152
<b>Charitable activities</b>			
Education	553,241	16,000	569,241
Investment income	<u>338</u>	<u>-</u>	<u>338</u>
<b>Total</b>	569,854	435,877	1,005,731
<b>EXPENDITURE ON</b>			
Raising funds	18,986	-	18,986
<b>Charitable activities</b>			
Education	406,343	429,304	835,647
Arts and culture (performances)	143,602	-	143,602
Recreation of social welfare	<u>53,159</u>	<u>-</u>	<u>53,159</u>
<b>Total</b>	<u>622,090</u>	<u>429,304</u>	<u>1,051,394</u>
<b>NET INCOME/(EXPENDITURE)</b>	(52,236)	6,573	(45,663)

## 10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
<b>Other recognised gains/(losses)</b>			
Actuarial gains on defined benefit schemes	<u>48,000</u>	<u>-</u>	<u>48,000</u>
<b>Net movement in funds</b>	(4,236)	6,573	2,337
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>			
As previously reported	519,759	15,017	534,776
Prior year adjustment	<u>(127,000)</u>	<u>-</u>	<u>(127,000)</u>
<b>As restated</b>	<u>392,759</u>	<u>15,017</u>	<u>407,776</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>388,523</u></u>	<u><u>21,590</u></u>	<u><u>410,113</u></u>

## 11. TANGIBLE FIXED ASSETS

	Instruments £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 April 2020	441,927	8,794	16,214	466,935
Additions	<u>8,131</u>	<u>150</u>	<u>14,237</u>	<u>22,518</u>
At 31 March 2021	<u>450,058</u>	<u>8,944</u>	<u>30,451</u>	<u>489,453</u>
<b>DEPRECIATION</b>				
At 1 April 2020	143,826	1,998	12,865	158,689
Charge for year	6,708	1,762	4,401	12,871
Impairment	50,000	-	-	50,000
At 31 March 2021	<u>200,534</u>	<u>3,760</u>	<u>17,266</u>	<u>221,560</u>
<b>NET BOOK VALUE</b>				
At 31 March 2021	<u>249,524</u>	<u>5,184</u>	<u>13,185</u>	<u>267,893</u>
At 31 March 2020	<u>298,101</u>	<u>6,796</u>	<u>3,349</u>	<u>308,246</u>



**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Trade debtors	10,002	12,236
Prepayments and accrued income	<u>27,773</u>	<u>35,890</u>
	<u>37,775</u>	<u>48,126</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Trade creditors	12,904	18,000
Taxation and social security	9,062	10,115
Other creditors	<u>63,426</u>	<u>84,831</u>
	<u>85,392</u>	<u>112,946</u>

Included in accruals and deferred income above is £5,610 of deferred income (2020 £10,540). This will all be released in the year to 31 March 2022.

**14. PROVISIONS FOR LIABILITIES**

	2021	2020
	£	£
Defined benefit pension Liability (see note 16)	<u>156,000</u>	<u>82,000</u>

**15. MOVEMENT IN FUNDS**

	At 1/4/20 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
<b>Unrestricted funds</b>				
General fund	172,422	15,086	11,573	199,081
Pension reserve	(82,000)	(74,000)	-	(156,000)
Designated funds - instruments	<u>298,101</u>	<u>(48,577)</u>		<u>249,524</u>
	388,523	(107,491)	11,573	292,605
<b>Restricted funds</b>				
Frank Doran Memorial Fund	10,017	(5,000)	-	5,017
London Music Fund (LMF)	-	2,371	-	2,371
Lewisham Young Mayor's Fund	11,573	-	(11,573)	-
Matthew Nicholls Fund	-	9,052	-	9,052
Ironmongers' Company Fund	<u>-</u>	<u>3,810</u>	<u>-</u>	<u>3,810</u>
	<u>21,590</u>	<u>10,233</u>	<u>(11,573)</u>	<u>20,250</u>
<b>TOTAL FUNDS</b>	<u>410,113</u>	<u>(97,258)</u>	<u>-</u>	<u>312,855</u>

## 15. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	454,316	(439,230)	-	15,086
Pension reserve	-	(13,000)	(61,000)	(74,000)
Designated funds - instruments	-	(48,577)	-	(48,577)
	454,316	(500,807)	(61,000)	(107,491)
<b>Restricted funds</b>				
Arts Council Music Education Hub Grant	416,162	(416,162)	-	-
Frank Doran Memorial Fund	-	(5,000)	-	(5,000)
London Music Fund (LMF)	7,111	(4,740)	-	2,371
Matthew Nicholls Fund	10,000	(948)	-	9,052
Ironmongers' Company Fund	3,810	-	-	3,810
	437,083	(426,850)	-	10,233
<b>TOTAL FUNDS</b>	<u>891,399</u>	<u>(927,657)</u>	<u>(61,000)</u>	<u>(97,258)</u>

## Comparatives for movement in funds

	At 1/4/19 £	Prior year adjustment £	Net movement in funds £	At 31/3/20 £
<b>Unrestricted funds</b>				
General fund	149,357	-	23,065	172,422
Pension reserve	-	(127,000)	45,000	(82,000)
Designated fund - instruments	370,402	-	(72,301)	298,101
	519,759	(127,000)	(4,236)	388,523
<b>Restricted funds</b>				
Frank Doran Memorial Fund	15,017	-	(5,000)	10,017
Lewisham Young Mayor's Fund	-	-	11,573	11,573
	15,017	-	6,573	21,590
<b>TOTAL FUNDS</b>	<u>534,776</u>	<u>(127,000)</u>	<u>2,337</u>	<u>410,113</u>



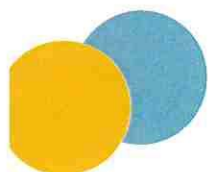
**15. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	569,854	(546,789)	-	(23,065)
Pension reserve	-	(3,000)	48,000	45,000
Designated funds - instruments		(72,301)		(72,301)
	569,854	(622,090)	48,000	(4,236)
<b>Restricted funds</b>				
Arts Council Music Education Hub Grant	409,508	(409,508)	-	-
Frank Doran Memorial Fund	-	(5,000)	-	(5,000)
London Music Fund (LMF)	9,026	(9,026)	-	-
Lewisham Young Mayor's Fund	16,000	(4,427)	-	11,573
Garden Memorial Fund	1,343	(1,343)	-	-
	435,877	(429,304)	-	6,573
<b>TOTAL FUNDS</b>	<u>1,005,731</u>	<u>(1,051,394)</u>	<u>48,000</u>	<u>2,337</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
<b>Unrestricted funds</b>				
General fund	149,357	38,151	11,573	199,081
Pension reserve	(127,000)	(29,000)	-	(156,000)
Designated fund - instruments	<u>370,402</u>	<u>(120,878)</u>	-	<u>249,524</u>
	392,759	(111,727)	11,573	292,605
<b>Restricted funds</b>				
Frank Doran Memorial Fund	15,017	(10,000)	-	5,017
London Music Fund (LMF)	-	2,371	-	2,371
Lewisham Young Mayor's Fund	-	11,573	(11,573)	-
Matthew Nicholls Fund	-	9,052	-	9,052
Ironmongers' Company Fund	-	3,810	-	3,810
	<u>15,017</u>	<u>16,806</u>	<u>(11,573)</u>	<u>20,250</u>
<b>TOTAL FUNDS</b>	<u>407,776</u>	<u>(94,921)</u>	<u>-</u>	<u>312,855</u>



**15. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	1,024,170	(986,019)	-	38,151
Pension reserve	-	(16,000)	(13,000)	(29,000)
Designated funds - instruments		<u>(120,878)</u>		<u>(120,878)</u>
	1,024,170	(1,122,897)	(13,000)	(111,727)
<b>Restricted funds</b>				
Arts Council Music Education Hub Grant	825,670	(825,670)	-	-
Frank Doran Memorial Fund	-	(10,000)	-	(10,000)
London Music Fund (LMF)	16,137	(13,766)	-	2,371
Lewisham Young Mayor's Fund	16,000	(4,427)	-	11,573
Garden Memorial Fund	1,343	(1,343)	-	-
Matthew Nicholls Fund	10,000	(948)	-	9,052
Ironmongers' Company Fund	<u>3,810</u>	<u>-</u>	<u>-</u>	<u>3,810</u>
	<u>872,960</u>	<u>(856,154)</u>	<u>-</u>	<u>16,806</u>
<b>TOTAL FUNDS</b>	<u>1,897,130</u>	<u>(1,979,051)</u>	<u>(13,000)</u>	<u>(94,921)</u>

**The Irving Memorial Trust**

The Irving Memorial Trust's donation supported the ongoing work of Lewisham Music's aims and objectives by enhancing musical opportunities for Lewisham children and young people with a focus on those from disadvantaged and under-represented backgrounds.

**Arts Council England (ACE)**

Arts Council England (ACE) provides Music Education Hub grant funding from the Department for Education (DfE) with the aim to support 121 Music Hubs across the UK. Lewisham Music receives core funding from ACE to be the music education hub lead for the London Borough of Lewisham.

Funding is used to support the National Plan for Music Education (NPME) to deliver its core and extension roles. Funds provide first access learning and progression opportunities to children & young people through front line delivery. The funding also supports back-office costs in managing the charity's governance and development.

**Frank Doran Memorial Fund**

The Frank Doran Memorial Fund was set up by his wife Joan Ruddock, in memory of Frank, the charity's original chair and co-founder who sadly passed away in October 2017. The donations received in memory will be used to provide a legacy in Frank's name whilst honouring his vision, sense of purpose, kindness, commitment and passion for the importance of music in young people's lives.



**15. MOVEMENT IN FUNDS - continued****London Music Fund (LMF)**

London Music Fund is a funding body with the Mayor of London as its Patron. Income is from individual philanthropy, corporate support and trusts and foundations. Its vision is that children who demonstrate significant musical ability, enthusiasm and commitment to learning an instrument are given the opportunity to develop their potential.

Funding is used to enhance musical opportunities and experiences for a current cohort of 11 scholars who receive a period of 4 years funding. Nominated and chosen by their music teachers and Lewisham Music the fund is dedicated to those children who are on free school meals and families that face financial hardship.

**Lewisham Young Mayor's Fund**

Lewisham appoints a young mayor annually from the local area and we were earmarked £16,000 from the fund for the technical set up of the music studio and band rooms at the new premises, with a focus on providing facilities for young people. The funds have been used to ensure there is a strong offer at the Fellowship by equipping rooms with the latest music technology and live band equipment. We also plan to utilise the space to engage more widely with the local community. Our plan is to offer funded projects as well as creating hire opportunities to generate revenue using this equipment. This will allow us to work across contemporary genres, rap/spoken word, music production, song writing, creative/collaborative and in multi-arts projects.

**Garden Memorial Fund**

The Garden Memorial Fund was set up by Joan Ruddock, in memory of Frank Doran. The donations received in memory have been used to create a garden space on the roof of our premises with the plan that it will be enjoyed by staff and those in the community that use the building.

**Ironmongers' Company Fund**

The Ironmongers' Company have funded the Sounds of The Next Generation project which will be a new cross-genre creative music collective based at the charity's premises, The Fellowship & Star, in Bellingham. The project will bring together young people from a wide range of social and musical backgrounds to write new music, empowering them to drive the creative process and musical direction.

**Matthew Nicholls Fund**

The Lewisham Young Producers project, funded by The Matthew Nicholls Foundation (worth £10,000) was delayed due to the pandemic and started in February 2021. This exciting project is utilising cutting edge music technology hardware and software (VIP Studio Sessions, Ableton Live, Ableton Push) to develop and showcase the creative talent of young music producers and performers. In addition, the project will upskill at least two members of staff in creative approaches to utilising music technology to engage young people.

**16. EMPLOYEE BENEFIT OBLIGATIONS**

The charity's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for teaching staff, and the closed Local Government Pension Scheme (LGPS) for non-teaching staff. A third was introduced during 2019, The People's Pension Scheme, also for non-teaching staff. The schemes are managed by Emma Chalk. TPS and LGPS are defined-benefit schemes.

The latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £11,620 (2020 £14,792) were payable to the schemes at 31 March 2021 and are included within creditors.

**Teachers' Pension Scheme****Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

***Valuation of the Teachers' Pension Scheme***

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS every four years in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration levy);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions
- together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million;
- the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The pension costs paid to TPS in the period amounted to £117,784 (2020 £119,944) £28,988.96 employees' contributions and £88,795.03 employer contributions (2020 £32,974.40 employee contributions and £86,969.74 employer contributions).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.



**Local Government Pension Scheme (LGPS)**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 March 2021 was £14,778.37, of which employee's contributions totalled £1,485.33 and employer's contributions totalled £13,293.04 (2020 £38,023, of which employees' contributions totalled £5,016 and employer's contributions totalled £33,077). The agreed contribution rates for future years are 33.2% for employers and 5.5% to 9.9% (depending on salary and section) for employees.

Under the terms of the Transfer Agreement dated 30 March 2017, the Administering Authority (that administers the LGPS on behalf of the Authority, Lewisham Council) does not require the Admission Body (Lewisham Music) to put in place any indemnity or bond in respect of the eligible employees. Lewisham Council has agreed to provide the Administering Authority with an LGPS Guarantee in a form acceptable to the Administering Authority and the Admission Body in respect of the Admission Body's obligations to the Administering Authority and will take any other steps required by the Administering Authority to ensure that an indemnity or bond is not required for the duration of the Admission Body's participation in the LGPS Fund.

The Council shall indemnify the Charity from and against all costs, expenses or contributions arising from any pension payable as a result of the dismissal of any of the Eligible Employees on grounds of redundancy or efficiency of the service and any pensions payable on grounds of ill-health, On termination of the Admission Agreement or on the Charity no longer having any Eligible Employees actively contributing to the Fund. The Council shall also indemnify the Charity for any costs, expenses or liabilities to the Fund in respect of the Eligible Employees (including for the avoidance of doubt any deferred or pensioner members of the Fund) arising on termination of the Admission Agreement or on the Charity no longer having any Eligible Employees actively contributing to the Fund. Any payment due by the Charity shall be refunded by Lewisham Council upon written notice within 10 business days.



The total cost recognised in the period was as follows:

	2021 £000	2020 £000
Current service cost	(11)	33
Past service cost	-	-
Plan introductions, changes, curtailments and settlements	-	(33)
Net interest income / expense	(2)	(3)
Recognised in profit or loss	(13)	(3)
Recognised in other comprehensive income	61	(48)
Total cost recognised	74	(45)

Changes in the present value of the defined benefit obligations were as follows:

	2021 £000	2020 £000
Opening defined benefit obligation	924	967
Current service costs	11	33
Past service costs	-	-
Interest expense	21	23
Actuarial (gains) / losses	208	(81)
Contributions by scheme participants	1	5
Benefits paid	(33)	(23)
(Gains) / losses on curtailment	-	-
Closing defined benefit obligation	1,132	924

Changes in the fair value of the pension plan assets were as follows:

	2021 £000	2020 £000
Opening plan assets	842	840
Interest income	19	20
Actual return on plan assets (excluding interest income)	134	(33)
Assets distributed on settlement	-	-
Contributions by employer	13	33
Contributions by scheme participants	1	5
Benefits paid	(33)	23
Closing plan assets	976	842



The amount that each major class of pension plan assets constitutes of the fair value of the total plan assets was as follows:

	2021 %	2020 %
Equity instruments	62	65
Debt instruments (bonds)	24	25
Property	7	8
Cash	7	2
	<u>100</u>	<u>100</u>

The principal actuarial assumptions used were as follows:

	2021	2020
Discount rate	2.0%	2.3%
Expected rates of salary increases	3.55%	2.6%
Expected rates of pension increases	2.85%	1.9%

The mortality assumptions used for longevity (in years) on retirement at age 65 are:

	Males	Females
Current pensioners	21.4 years	24.0 years
Future pensioners	22.8 years	25.8 years

#### Sensitivity analysis

Change in assumptions at 31 March 2021:	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount £000
0.5% decrease in Real Discount Rate	9%	101
0.5% increase in the Salary Increase rate	0%	5
0.5% increase in the Pension Increase Rate (CPI)	8%	94

#### B&CE Holdings (The People's Pension Scheme)

The People's Pension is a multi-employer, defined contribution occupational pension scheme that has master trust status. It's run by B&CE Holdings, a not-for-profit organisation. With no shareholders, any surpluses made by B&CE are used for the benefit of members.

**16. EMPLOYEE BENEFIT OBLIGATIONS - continued**

Membership at Lewisham Music is for non-teaching staff employed since April 2017. Employee contributions of up to 6% can be paid into the scheme which are matched by Lewisham Music. The total contribution made for the year ended 31 March 2021 was £11,545.51 (2020 £8,727), of which employee contributions totalled £5,161.71 and employer's contributions totalled £6,383.80

**17. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year.

