



**Lewisham
music**

Report of the Trustees and audited financial statements

for the year ended 31 March 2022 for Lewisham Music

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

Registered
Charity No. 1169721



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Report of the Trustees

The trustees present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The financial statements cover the period from 1 April 2021 to 31 March 2022.

Cllr Chris Barnham	(appointed 27 September 2017, re-elected September 2020)
Lydia Brookes	(appointed 27 September 2017, re-elected September 2020)
Dame Joan Ruddock	(appointed 20 March 2019, re-elected July 2022)
Susie York-Skinner	(appointed 10 December 2018, re-elected December 2021)
Fiona Lambert	(appointed 10 December 2018, re-elected December 2021)
Louise Alexander	(appointed 12 February 2020, resigned February 2022)
Robert Kigozi	(appointed 22 July 2021)
Audrey Bleazard	(appointed 22 July 2021)
Jim Ripley	(appointed 23 March 2022)

Chair	Dame Joan Ruddock from March 2019
Secretary	Stephen Sealy
Chief Executive	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 118 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. In partnership with local and national organisations, we deliver and support a range of musical opportunities in schools and community settings across 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

Having successfully protected the organisation and our workforce through the use of Culture Recovery Funding (CRF), the Coronavirus Job Retention Scheme, and innovative developments in online programme delivery, Lewisham Music has come out of the pandemic in a strong position. This year has seen steady post-pandemic growth, with important developments to our programmes, partnerships, funding streams and governance structure.

The number of weekly school programmes we deliver is now higher than pre-pandemic, and our music tutor workforce has grown as a result. Lewisham Music moved into its premises above the Fellowship Inn in Bellingham in summer 2019, but 2021-2022 was the year this new community centre really took off, with delayed launch events happening in September and the creation of a weekly programme serving young people five evenings per week. The Fellowship has allowed us to strengthen local partnerships, reach diverse and disadvantaged communities and young people, and create new income streams through premises hire.

Our fundraising track-record is now proven, with successes in attracting support from trusts, foundations and corporate funds for equipment, new programmes and bursary support for children from low-income households. We are grateful to these funders and partners, including London Music Fund, Awards for Young Musicians, Youth Music, The Matthew Nicholls Foundation, SONY's Global Social Justice Fund, Jack Petchey Foundation and more. We are also grateful for the confidence and support of our other stakeholders including our core funders Arts Council England and the Department for Education.

The charity recognises the impact that the cost-of-living crisis is having on the community we serve. As well as ambitiously increasing our bursary support through online fundraising campaigns, we have kept our community programme fees frozen.

As the organisation goes into the new academic year 2022-2023, I welcome the publication of *The Power of Music to Change Lives*, an ambitious new National Plan for Music Education which was published in June 2022 and will come into force in April 2023. The focus on supporting progression for all young musicians- regardless of their background and circumstances- is something that Lewisham Music particularly welcomes. We are proud of the work that has been done to make music education more inclusive and equitable, for example through the cultivation of a more diverse workforce, the creation of a Tutor Diversity Ambassador role, and the large increase in Children in Care and children from low-income households attending programmes.

We are delighted to be reaching more young people than ever, playing a central role in their education and creative development. Our move towards being a more socially focused charity which is embedded within the community we serve has been particularly important in 2022 as Lewisham celebrates being the London Borough of Culture.

I am pleased to be continuing to Chair a Board of talented Trustees who are committed to providing a vibrant and sustainable charity to the young people of Lewisham.



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. [A 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
- **Creative holiday programmes**
- **Live events and concerts**
- **Professional musical experiences** with partner organisations
- Targeted, **socially focused programmes** targeted at disadvantaged young people, e.g. Looked After Children
- **Music-industry focussed** programmes and workshops for young people interested in a career in music or music education
- **Support for music professionals** through training, Continuing Professional Development, professional advice and networks.

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 eco-system 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 2021-2022, at Lewisham Music we had 11 office/management staff (a mix of part-time and full-time positions) and a freelance project producer. We had 65 Music Tutors who delivered 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, a financial barrier 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' [Furthering 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
- **Tramshed:** co-delivered community projects
- **London Music Fund and Awards for Young Musicians:** bursary schemes
- **Live Music Now:** Live music experiences and projects for SEND settings.

We have 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
- Refugee Council.



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 2021-2022

COVID-19's IMPACT

Although 2020-2021 was by far the most challenging year we faced in terms of Covid-19 challenges, 2021-2022 also had significant challenges, especially in the first quarter. By September 2021 however, most restrictions had lifted, and there was a surge in demand from schools in the Autumn term. Our community programmes were also able to fully reopen, and numbers steadily recovered throughout the year. There were still challenges with staffing absences and other logistics, but these were small compared to the impact of full lockdowns on our ability to operate.

In Spring 2021 it was confirmed that Lewisham Music was successful in our application for £149,730 from the Department for Culture, Media and Sport's Culture Recovery Fund (Round 2). This significantly helped our recovery back to sustainable trading throughout the year, allowing us to make-up for a loss in traded income, invest in equipment, instruments and promotional activity, and top-up charity reserves to support longer-term financial resilience.

2021-2022 saw us emerge from the worst impacts of Covid-19 in a relatively strong position and enter a period of sustained growth. We were able to launch new programmes in schools and community settings which diversified our offer and reached new communities and young people, and we were finally able to launch our new premises at The Fellowship.

NOTABLE ACHIEVEMENTS & DEVELOPMENTS

Staffing & Governance

- Creation of a new Community Programme Producer role, working closely with the Director of Community Music to organise, monitor and evaluate our community programmes (especially those happening at The Fellowship) and build relationships with local professionals, young people and families
- A significant recruitment review to support the ongoing quality and diversity of our workforce
- Strengthening of our governance structure through new trustee appointments and the creation of new committees
- Creation and appointment of new music tutor roles specialising in Music Production, Music Technology, Rap & Lyricism and Song writing
- The successful creation and trial of new hybrid-working policies as the office/management team returned to work post-lockdown.

School offer

- A refreshed and relaunched [offer for schools](#)
- An increase in Whole Class Ensemble Tuition programmes in September 2021, including with schools we have not engaged with in recent years
- In the 2021-2022 academic year, we worked with 86% of Lewisham schools, and this has increased since then
- By September 2021, our school activity levels had recovered from and surpassed pre-Covid levels (351.41 hours per week in Autumn term 2021, compared to 345.53 in Spring term 2020).

The Fellowship

- Officially launched the premises in September 2021 with an accompanying [promotional film](#). Now running a programme 4 evenings per week
- Our first ever 'Fellowship Music Collective' programme was delivered online in Easter 2021
- We are now a Jack Petchey Centre, meaning that that participants across our Community Music programme can access Jack Petchey Achievement Awards.

Saturday Music Centre

- Throughout the year, numbers at Saturday Music Centre recovered steadily
- Our work to become a more inclusive, community-focused charity has resulted in a significant change in the demographics of pupils, showing 31% in receipt of Free School Meals, 11% being Looked After Children, and 8% having a disability.

Performances

- In March 2022, our first large performance post-lockdown 'Live at the Halls' showcased groups from across our community programmes.

Partnerships

- A new partnership with South London Samba, who delivered a weekly programme at The Fellowship
- The launch of 'New Levels', a talent-development programme in partnership with [Tramshed](#).

Equity, Diversity and Inclusion

- The creation of a new Tutor Diversity Ambassador role
- Ongoing EDI-focused research, workforce training, consultation and roundtables with equality-specialist charity Brap as part of the '*Amplifying Voices*' programme.

Sector research and conferences

- Presented about Music and Mental-Health at the Music Education Exposition 2021
- A regular [Mental Health and Wellbeing column](#) for Music Teacher Magazine.

Fundraising

- Our first ever online fundraising 'Big Give' campaign raised significant funds for our bursary programme for children from low-income families
- The creation of a new income stream through premises hire.



FUTURE PLANS

Notable plans for 2022-2023 include:

- New performance opportunities for community and school programmes, including showcase performances at The Fellowship, and the return of 'SongFest' in Summer 2022 and *Lewisham Live* music and dance festival in Spring 2023
- The launch of new weekly programmes at the Fellowship including Rap & Lyricism collective and Lewisham Vocal Collective
- The return of Lewisham Junior Orchestra and Animate Orchestra holiday programmes
- Registering the Fellowship as a ABRSM exam centre and hosting musical grade examinations
- An increase in school visits to support them with Music Education Plans
- Significant new 'Youth Voice' programmes, allowing young people to have a say in how the charity evolves. This will include the employment of 'Young Producers' who will conduct research and develop programmes on our behalf
- Review of operational systems and processes to ensure that we can work effectively and efficiently as the charity evolves and grows
- Strengthening of delivery and referral partnerships
- Recruitment of new trustees including two young trustees (under 25)
- Significant work on fundraising, and the exploration of individual and corporate sponsorship.



STRUCTURE, GOVERNANCE AND MANAGEMENT RISK MANAGEMENT

LEWISHAM MUSIC- RISK REGISTER (updated October 2022)

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
DfE Hub grant to Lewisham continues to go down in cash and real terms.	3	5	18	-Campaign for uplift in funding attached to new National Plan for Music Education. -Seek support of private donors, corporations, Trusts/Foundation towards core costs. -Identify cost savings e.g. in instrument storage.	-Same as preventative actions- this is a long-term problem rather than us suddenly facing a 'cliff-edge'.	CR	CR/EC/Board	Annually
Staff costs and structures transferred under TUPE not affordable for the new charity	4	3	16	-Identify new income and funding streams, especially private donors, corporations, Trusts/Foundation -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/reduce services/staffing.	CR/EC	CR/EC/Board	Quarterly
Cost-of-living crisis means that parents/carers can no longer afford musical tuition	3	4	16	-Continue to encourage schools to use Pupil Premium Grant and curriculum budget to subsidise tuition. -Continue fundraising to support bursary scheme. -The cost of Saturday Music Centre and other Community groups like to stay frozen.	-The need to make cuts would depend on the severity of the drop.	CR/EC/SP	CR/SP/EC/Board	Termly
Lewisham Music is not appointed lead partner organisation for Lewisham Music Education Hub in the 2023 retender process being conducted by DfE/ACE.	5	2	15	-Prioritise the retender process to ensure a high-quality bid. -Discussions with other Music Education Hubs about federating (there is an ambition to reduce the number of Music Education Hubs).	-Possibility that Lewisham Music will be commissioned to deliver programmes by a new lead partner and/or some LM staff are TUPE-ed into employment by this new organisation. Some redundancies -especially in management- are likely. -If Lewisham Music is not commissioned or staff are not TUPE-ed, Lewisham Music will have to close as we cannot operate without this grant.	CR	CR/Board	Quarterly
DfE stops funding Teachers Pensions increase from 2023	4	2	12	-Identify new income and funding streams, especially support towards core costs from private, corporate and Trusts/Foundation.	-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. 2022
Hours of delivery in schools reduce due to school budget challenges	3	3	12	- Continue to refine 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	
DfE funding for music education hubs is withdrawn or reduced from 2023	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. support from private, corporate and Trusts/Foundation.	-Lewisham Music cannot survive without this 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.	CR	CR and Board	Nov. 2023
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, corporate or Trust/Foundation sponsorship to support running costs.	- Find new office premises and continue to rely on school premises for out-of-school activity. - The main impact would be reputational. - Ask Phoenix Community Housing for a significant rent reduction/permanent rent holiday.	CR/EC/KS	CR/EC/Board	Quarterly

KEY

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

CR- Charly Richardson, Chief Executive
EC- Emma Chalk, Director of Business & Operations
SP- Sarah Plummer, Schools Music Lead
KS- Keith Sykes, Director of Community Music

ACE- Arts Council England
DfE- Department for Education

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 22.

Funding for Music Hubs from DfE will continue until August 2024. Current funding arrangements will be extended until August 2023 with funding arrangements put in place for September 2023 to August 2024. A new Music Hub programme as a result of a retendering process will be in place from the academic year September 2024. Lewisham Music is already working strategically to ensure the charity is best placed to continue its hub status and secure core funding for the next two financial years.

To ensure that our earned income grows we will monitor and develop our provision and opportunities for schools. We will also implement and review our fundraising strategy so that we can build on our successful grant portfolio into 2022-2023.

As explained in note 15 the charity's share of the deficit of the Local Government Pension Scheme at 31 March 2022 is included in the Balance Sheet in accordance with FRS 102. This deficit amounted to £32,000 (2021 £156,000).

Reserves Policy

Total reserves as at 31 March 2022 was £525,416 (£312,855 in 2021) of which £190,255 (£199,081 in 2021) represented unrestricted free funds and £138,788 (£20,250 in 2021) consisting of Cultural Recovery fund reserves reflation and restricted funds. The charity also held a designated instrument fund of £228,373 (£249,524 in 2021) and a reduced negative pension reserve relating to the LGPS of £32,000 (2021 £156,000).

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 2022, this amounted to £265,920 (£222,321 in 2021).

At 31 March 2022 the charity had free reserves (unrestricted reserves not tied up in fixed assets) of £190,255 (£199,081 in 2021).

Within the restricted funds of £138,788, a total of £73,732 from the Cultural Recovery Fund is available to reflate reserves in the event that the charity needed to pay its contractual obligations, the trustees would move this fund into free reserves. Overall the charity therefore practically meets its target reserves policy as set out 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, and a business development specialist).

The Chief Executive is responsible for the day to day running of the organisation and line manages the Director of Business & Operations, Schools Music Leader, Director of Community Music, and Communications, Marketing and Programme Manager. There are four other office/management positions that are not directly line-managed by the CEO. There is currently 60 Music Tutors who deliver our programmes.

The Chief Executive takes decisions on a day-to-day basis with support from managers, and refers to the Chair where appropriate. The Director of Business & Operations 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 association supporting the work of music services, hubs, and music education practitioners. Arts Council England monitors the work of all music Hubs and releases funding quarterly subject to provision of grant monitoring.

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 that transferred to Lewisham Music under TUPE currently retain Lewisham Council 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

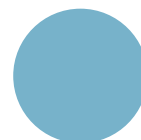
Principal address

First Floor, Fellowship Inn
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	Date 12/12/2022
and signed on its behalf by Joan Ruddock – Chair of the Trustees	Signature 



Report of the Independent Auditors

Opinion

We have audited the financial statements of Lewisham Music (the 'charity') for the year ended 31 March 2022 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 under law and in the 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 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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.

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 UK GAAP, Charity SORP (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. 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

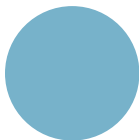
Date	13 Dec 2022
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Statement of Financial Activities

STATEMENT OF FINANCIAL ACTIVITIES 31 MARCH 2022



	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	7,222	732,334	739,556	650,306
Charitable activities					
Education		501,786	-	501,786	240,984
Investment income	3	<u>17</u>	<u>-</u>	<u>17</u>	<u>109</u>
Total		<u>509,025</u>	<u>732,334</u>	<u>1,241,359</u>	<u>891,399</u>
EXPENDITURE ON					
Raising funds	5	17,995	-	17,995	26,959
Charitable activities					
Education	6	299,933	613,796	913,729	653,281
Arts and culture (performances)		190,689	-	190,689	171,933
Recreation of social welfare		<u>50,385</u>	<u>-</u>	<u>50,385</u>	<u>75,484</u>
Total		<u>559,002</u>	<u>613,796</u>	<u>1,172,798</u>	<u>927,657</u>
NET INCOME/(EXPENDITURE)		(49,977)	118,538	68,561	(36,258)
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit schemes		<u>144,000</u>	<u>-</u>	<u>144,000</u>	<u>(61,000)</u>
Net movement in funds		94,023	118,538	212,561	(97,258)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>292,605</u>	<u>20,250</u>	<u>312,855</u>	<u>410,113</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>386,628</u></u>	<u><u>138,788</u></u>	<u><u>525,416</u></u>	<u><u>312,855</u></u>







Statement of Financial Position

STATEMENT OF FINANCIAL POSITION 31 MARCH 2022

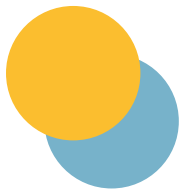
	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	11	260,019	-	260,019	267,893
CURRENT ASSETS					
Debtors	12	130,336	-	130,336	37,775
Cash at bank		<u>166,440</u>	<u>138,788</u>	<u>305,228</u>	<u>248,579</u>
		296,776	138,788	435,564	286,354
CREDITORS					
Amounts falling due within one year	13	(138,167)	-	(138,167)	(85,392)
NET CURRENT ASSETS		<u>158,609</u>	<u>138,788</u>	<u>297,397</u>	<u>200,962</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		418,628	138,788	557,416	468,855
PROVISIONS FOR LIABILITIES	14	(32,000)	-	(32,000)	(156,000)
NET ASSETS		<u>386,628</u>	<u>138,788</u>	<u>525,416</u>	<u>312,855</u>
FUNDS	15				
Unrestricted funds				190,255	199,081
Designated funds (instruments)				228,373	249,524
Pension liability				(32,000)	(156,000)
Restricted funds				<u>138,788</u>	<u>20,250</u>
TOTAL FUNDS				<u>525,416</u>	<u>312,855</u>

The financial statements were approved by the Board of Trustees and authorised for issue on	Date 12/12/2022
and were signed on its behalf by Joan Ruddock – Chair of the Trustees	Signature 



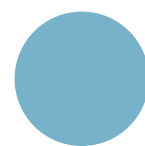


Statement of Cash Flows



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>96,401</u>	<u>22,301</u>
Net cash provided by operating activities		<u>96,401</u>	<u>22,301</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(53,195)	(22,518)
Interest received		<u>17</u>	<u>109</u>
Net cash used in investing activities		<u>(53,178)</u>	<u>(22,409)</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		43,223	(108)
Cash and cash equivalents at the beginning of the reporting period		<u>248,579</u>	<u>248,687</u>
Cash and cash equivalents at the end of the reporting period		<u><u>305,228</u></u>	<u><u>248,579</u></u>





Notes to the Statement of Cash Flows

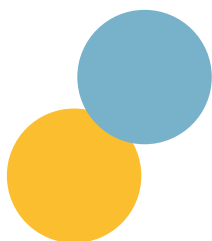
NOTES TO THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

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

	2022 £	2021 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	68,561	(36,258)
Adjustments for:		
Depreciation charges	61,069	62,871
Interest received	(17)	(109)
(Increase)/decrease in debtors	(92,561)	10,351
Increase/(decrease) in creditors	39,349	(27,554)
Difference between pension charge and cash contributions	<u>20,000</u>	<u>13,000</u>
Net cash provided by operations	<u>96,401</u>	<u>22,301</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/21 £	Cash flow £	At 31/3/22 £
Net cash			
Cash at bank	<u>248,579</u>	<u>56,649</u>	<u>305,228</u>
	<u>248,579</u>	<u>56,649</u>	<u>305,228</u>
Total	<u>248,579</u>	<u>56,649</u>	<u>305,228</u>



The notes form part of these financial statements



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

There are no material uncertainties about the charity's ability to continue.

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

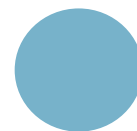
The charity is exempt from tax on its charitable activities.

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

Retirement benefits to employees are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. For further details see note 16. The charity also operates a defined contribution pension scheme. Contributions payable 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

	2022	2021
	£	£
Donations	173,744	26,645
Grants	<u>565,812</u>	<u>623,661</u>
	<u>739,556</u>	<u>650,306</u>

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

	2022	2021
	£	£
Arts Council England - Music Education Hub	408,617	416,162
Government grant - furlough income	7,465	202,499
Lewisham Council - COVID-19 small business grant	-	5,000
Arts Council England - Culture Recovery Fund	<u>149,730</u>	<u>-</u>
	<u>565,812</u>	<u>623,661</u>

3. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	<u>17</u>	<u>109</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2022	2021
Activity	£	£
Education	<u>501,786</u>	<u>240,984</u>

5. RAISING FUNDS

Raising donations and legacies

	2022	2021
	£	£
Support costs	<u>17,995</u>	<u>26,959</u>

6. CHARITABLE ACTIVITIES COSTS

	Activities undertaken directly £	Support costs £	Total £
Education	676,201	237,528	913,729
Arts and culture (performances)	136,705	53,984	190,689
Recreation of social welfare	-	<u>50,385</u>	<u>50,385</u>
	<u>821,906</u>	<u>341,897</u>	<u>1,154,803</u>

7. SUPPORT COSTS

	Governance costs £
Education	<u>10,916</u>

7. SUPPORT COSTS - continued

Support cost's	Raising funds £ 5%	Education £ 66%	Arts & culture (performances) £ 15%	Recreation of social welfare £ 14%	2022 £	2021 £
Governance	466	6,153	1,398	1,305	9,322	12,738
Staff costs	11,234	148,286	33,701	31,455	224,676	398,057
Finance	132	1,740	396	369	2,637	3,128
Human Resources	231	3,049	693	647	4,620	6,815
Information technology	336	4,435	1,008	941	6,719	6,771
Premises	1,166	15,392	3,498	3,265	23,321	22,920
General office	799	10,522	2,398	2,238	15,987	15,400
Travel	47	623	142	132	944	976
Equipment hire and maintenance	360	4,757	1,081	1,009	7,208	1,776
Depreciation	2,818	37,199	8,454	7,891	56,362	59,938
Other professional fees	421	5,558	1,263	1,179	8,422	10,806
Other	<u>(16)</u>	<u>(215)</u>	<u>(49)</u>	<u>(46)</u>	<u>(326)</u>	<u>(156)</u>
	<u>17,995</u>	<u>237,528</u>	<u>53,984</u>	<u>50,385</u>	<u>359,890</u>	<u>539,171</u>

Included in governance costs is £3,900 auditors remuneration and £1,800 for other services.

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

9. STAFF COSTS

	2022 £	2021 £
Wages and salaries	715,342	602,984
Social security costs	43,914	36,531
Other pension costs	<u>139,507</u>	<u>121,396</u>
	<u>898,763</u>	<u>760,911</u>

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

<u>2022</u>	<u>2021</u>
75	61

1 employee received emoluments in excess of £60,000.

The total amount of employee benefits received by key management personnel is £273,790 (2021 £223,043). The Trustees consider themselves, the CEO, Director of Business & Operations, and the Director of Community Music, Schools Music Leader and the Communications & Marketing Manager to comprise the management personnel.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	213,223	437,083	650,306
Charitable activities			
Education	240,984	-	240,984
Investment income	<u>109</u>	<u>-</u>	<u>109</u>
Total	<u>454,316</u>	<u>437,083</u>	<u>891,399</u>
EXPENDITURE ON			
Raising funds	26,959	-	26,959
Charitable activities			
Education	226,431	426,850	653,281
Arts and culture (performances)	171,933	-	171,933
Recreation of social welfare	<u>75,484</u>	<u>-</u>	<u>75,484</u>
Total	<u>500,807</u>	<u>426,850</u>	<u>927,657</u>
NET INCOME/(EXPENDITURE)	(46,491)	10,233	(36,258)

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Transfers between funds	<u>11,573</u>	<u>(11,573)</u>	<u>-</u>
Other recognised gains/(losses)			
Actuarial gains/(losses) on defined benefit schemes	<u>(61,000)</u>	<u>-</u>	<u>(61,000)</u>
Net movement in funds	(95,918)	(1,340)	(97,258)
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>388,523</u>	<u>21,590</u>	<u>410,113</u>
TOTAL FUNDS CARRIED FORWARD	<u>292,605</u>	<u>20,250</u>	<u>312,855</u>

11. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2021	450,058	8,944	30,451	489,453
Additions	<u>27,001</u>	<u>14,523</u>	<u>11,671</u>	<u>53,195</u>
At 31 March 2022	<u>477,059</u>	<u>23,467</u>	<u>42,122</u>	<u>542,648</u>
DEPRECIATION				
At 1 April 2021	200,534	3,760	17,266	221,560
Charge for year	5,227	3,994	8,923	18,144
Impairments	<u>42,925</u>	<u>-</u>	<u>-</u>	<u>42,925</u>
At 31 March 2022	<u>248,686</u>	<u>7,754</u>	<u>26,189</u>	<u>282,629</u>
NET BOOK VALUE				
At 31 March 2022	<u>228,373</u>	<u>15,713</u>	<u>15,933</u>	<u>260,019</u>
At 31 March 2021	<u>249,524</u>	<u>5,184</u>	<u>13,185</u>	<u>267,893</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	123,360	10,002
Prepayments and accrued income	<u>6,976</u>	<u>27,773</u>
	<u>130,336</u>	<u>37,775</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	18,230	12,904
Taxation and social security	10,914	9,062
Other creditors	<u>109,023</u>	<u>63,426</u>
	<u>138,167</u>	<u>85,392</u>

Included in accruals and deferred income above is £10,215 of deferred income (2021 £5,610). This will all be released in the year to 31 March 2023.

14. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Defined benefit pension		
Liability (see note 16)	<u>32,000</u>	<u>156,000</u>

15. MOVEMENT IN FUNDS

	At 1/4/21 £	Net movement in funds £	Transfers between funds £	At 31/3/22 £
Unrestricted funds				
General fund	199,081	(8,826)	-	190,255
Pension reserve	(156,000)	124,000	-	(32,000)
Designated fund - instruments	<u>249,524</u>	<u>(21,151)</u>	<u>-</u>	<u>228,373</u>
	292,605	94,023	-	386,628
Restricted funds				
Frank Doran Memorial Fund	5,017	-	(5,017)	-
London Music Fund (LMF)	2,371	1,481	-	3,852
Matthew Nichols Fund	9,052	(9,052)	-	-
Ironmongers Fund	3,810	(2,110)	-	1,700
Music Mark Innovation fund	-	2,360	-	2,360
Sonic Minds	-	13,155	-	13,155
Sony Social Justice grant	-	11,046	-	11,046
Amplifying Voices	-	14,584	-	14,584
Jack Petchey	-	1,189	-	1,189
Bursaries	-	12,153	5,017	17,170
Arts Council CRF	<u>-</u>	<u>73,732</u>	<u>-</u>	<u>73,732</u>
	<u>20,250</u>	<u>118,538</u>	<u>-</u>	<u>138,788</u>
TOTAL FUNDS	<u>312,855</u>	<u>212,561</u>	<u>-</u>	<u>525,416</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 £
Unrestricted funds				
General fund	509,025	(517,851)	-	(8,826)
Pension reserve	-	(20,000)	144,000	124,000
Designated fund - instruments	-	(21,151)	-	(21,151)
	509,025	(559,002)	144,000	94,023
Restricted funds				
Arts Council Music Education Hub Grant	408,617	(408,617)	-	-
London Music Fund (LMF)	7,190	(5,709)	-	1,481
Garden Memorial Fund	25	(25)	-	-
Matthew Nichols Fund	-	(9,052)	-	(9,052)
Ironmongers Fund	-	(2,110)	-	(2,110)
Music Mark Innovation fund	11,000	(8,640)	-	2,360
Sonic Minds	51,558	(38,403)	-	13,155
Sony Social Justice grant	12,300	(1,254)	-	11,046
Amplifying Voices	37,235	(22,651)	-	14,584
Jack Petchey	1,699	(510)	-	1,189
Awards For Young Musicians	38,528	(38,528)	-	-
Bursaries	12,189	(36)	-	12,153
Arts Council CRF	151,993	(78,261)	-	73,732
	732,334	(613,796)	-	118,538
TOTAL FUNDS	<u>1,241,359</u>	<u>(1,172,798)</u>	<u>144,000</u>	<u>212,561</u>

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/20 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
Unrestricted funds				
General fund	172,422	15,086	11,573	199,081
Pension reserve	(82,000)	(74,000)	-	(156,000)
Designated fund - instruments	<u>298,101</u>	<u>(48,577)</u>	<u>-</u>	<u>249,524</u>
	388,523	(107,491)	11,573	292,605
Restricted funds				
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 Nichols Fund	-	9,052	-	9,052
Ironmongers 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>
TOTAL FUNDS	<u>410,113</u>	<u>(97,258)</u>	<u>-</u>	<u>312,855</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	454,316	(439,230)	-	15,086
Pension reserve	-	(13,000)	(61,000)	(74,000)
Designated fund - instruments	<u>-</u>	<u>(48,577)</u>	<u>-</u>	<u>(48,577)</u>
	454,316	(500,807)	(61,000)	(107,491)
Restricted funds				
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 Nichols Fund	10,000	(948)	-	9,052
Ironmongers Fund	<u>3,810</u>	<u>-</u>	<u>-</u>	<u>3,810</u>
	<u>437,083</u>	<u>(426,850)</u>	<u>-</u>	<u>10,233</u>
TOTAL FUNDS	<u>891,399</u>	<u>(927,657)</u>	<u>(61,000)</u>	<u>(97,258)</u>

15. MOVEMENT IN FUNDS - continued

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 118 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 died 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.

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 kindly earmarked £16,000 in 2021 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 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 Inn, 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.

15. MOVEMENT IN FUNDS - continued

Music Mark Innovation Fund

In summer 2020 a number of London music education hubs formed a Diversity, Representation and Action working group. On the group's behalf, Lewisham Music successfully bid for funding from the Hub Innovation Fund (Department for Education/Music Mark) which allowed 12 music education hubs to recruit and train a network of Tutor Diversity Ambassadors (TDAs) across London. The TDA role is designed to create a constructive bridge between the workforce and hub management; advocate for and support all staff (especially those from underrepresented groups); engage colleagues (including management) with discussions around EDI; support a caring and inclusive organisational culture (including with regards to mental health and welfare); change perceptions about the organisation and sector; and create EDI-focused networks.

Amplifying Voices (Youth Music)

Lewisham Music partnered with Lambeth Music Service and Royal Greenwich Music Service to work alongside sector-leading equality charity 'Brp' for the 'Amplifying Voices' project, funded by Youth Music. The programme combines connected strands of research, workforce training, consultation, youth voice and music-making to address issues of underrepresentation within music education, leading to genuine, lasting organisational change.

Sonic Minds (Youth Music)

Sonic Minds is a two-year music and mental health programme delivered by Lewisham Music and funded by Youth Music. The programme supports hundreds of care experienced and displaced young people across Bromley, Bexley and Lewisham through collaborative song writing, drumming and music production, allowing them to share their stories, express themselves and celebrate their identity. The programme culminates with the creation of an interactive sound sculpture that will tour publicly across South London, advocating for the connection between music and mental health. The feedback and evaluation framework for Sonic Minds has been developed in partnership with Sound Connections.

Awards For Young Musicians

Awards for Young Musicians (AYM) is a UK wide charity founded in 1998 which enables talented young people from low-income families to fulfil their potential. Lewisham Music is a partner on the Furthering Talent programme, which annually supports 30 young musicians from Lewisham with free music tuition, group music-making experiences, and additional bursaries to enhance their musical journeys. The funding also supports the freelance Furthering Talent Producer role.

Sony Music Group's Global Social Justice Fund

This fund has been granted to further enhance the work of the Awards for Young Musicians programme. Money from Sony Music Group's 'GSJ' fund will transform our Furthering Talent programme by introducing a vibrant series of collaborative 'Get Together' events and a package of 'personal bursaries' to remove barriers and further each child's progression. The bursaries will assist, for example, with the purchase of an instrument; the purchase of a laptop to avoid digital exclusion; access to recording facilities; covering travel expenses and/or additional access costs for students with additional needs.

Jack Petchey

This fund is for the purposes of the Jack Petchey Achievement Award that participants across our Community Music programme can access. This youth led award programme is used to recognise young people's development, i.e. a young person who has faced a challenge, someone who has pushed themselves outside of their comfort zone, or an opportunity to recognise a young person's commitment to supporting their peers.

15. MOVEMENT IN FUNDS - continued

Bursaries

Lewisham Music is ambitious about making music education accessible to all. Our bursary fund allows us to subsidise music tuition and group music-making for children and young people from low-income families. Funds are raised from cash donations at performances, donations made via our website, our Goodbox device, payroll giving, Amazon Smile and Easy Fundraising. The scheme also received matched funding from the Big Give Campaign via the Childhood Trust and the Barnett & Sylvia Shine Charitable Trust. The remaining funds of £5,017 in the Frank Doran Memorial Fund have also been transferred to the bursary scheme.

Arts Council Funding - Culture Recovery Fund

The Department for Digital, Culture, Media and Sport announced a £1.57 billion package to protect the UK's culture and heritage sectors from the economic impacts of Covid-19 in spring 2021. Lewisham Music secured funding via Arts Council England to transition back to a viable and sustainable operating model during the period of April-June 2021. The fund also allowed us to reflate the charity's reserves.

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 in 2019. The People's Pension Scheme, also for non-teaching staff. 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 £13,426 (2021 £11,620) were payable to the schemes at 31 March 2022 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);

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

- 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 £131,394 (2021 £117,784) £33,094 employees' contributions and £98,297 employer contributions (2021 £28,988 employee contributions and £88,795 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 2022 was £15,188, of which employee's contributions totalled £1,510 and employer's contributions totalled £13,678 (2021 £14,778, of which employee's contributions totalled £1,485.33 and employer's contributions totalled £13,293). 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:

	2022 £000	2021 £000
Current service cost	(17)	(11)
Past service cost	-	-
Plan introductions, changes, curtailments and settlements	-	-
Net interest income / expense	(1)	(2)
Recognised in profit or loss	(20)	(13)
Recognised in other comprehensive income	120	61
Total cost recognised	124	74

Amounts recognised in the balance sheet were as follows:

	2022 £000	2021 £000
Present value of funded obligations	(1,080)	(1,132)
Fair value of plan assets	1,048	976
	(32)	(156)

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

	2022 £000	2021 £000
Opening defined benefit obligation	1,132	934
Current service costs	17	11
Past service costs	-	-
Interest expense	22	21
Actuarial (gains) / losses	(60)	208
Contributions by scheme participants	2	1
Benefits paid	(33)	(33)
(Gains) / losses on curtailment	-	-
Closing defined benefit obligation	1,080	1,132

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

	2022 £000	2021 £000
Opening plan assets	976	842
Interest income	19	19
Actual return on plan assets (excluding interest income)	70	134
Assets distributed on settlement	-	-
Contributions by employer	14	13
Contributions by scheme participants	2	1
Benefits paid	(33)	(33)
Closing plan assets	1,048	976

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

	2022 %	2021 %
Equity instruments	64	62
Debt instruments (bonds)	22	24
Property	9	7
Cash	5	7
	100	100

The principal actuarial assumptions used were as follows:

	2022	2021
Discount rate	2.70%	2.0%
Expected rates of salary increases	3.90%	3.55%
Expected rates of pension increases	3.20%	2.85%

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

	Males	Females
Current pensioners	21.2 years	23.8 years
Future pensioners	22.5 years	25.5 years

Sensitivity analysis

Change in assumptions at 31 March 2022:	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount £000
0.1% decrease in Real Discount Rate	2%	18
0.1% increase in the Salary Increase rate	0%	1
1 year increase in member life expectancy	4%	43
0.1% increase in the Pension Increase Rate (CPI)	2%	17

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

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.

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 2022 was £13,556 (2021 £11,545), of which employee contributions totalled £6,025 and employer's contributions totalled £7,531.

17. RELATED PARTY DISCLOSURES

There were no related party transactions for the year.

