

Report of the Trustees and  
Unaudited Financial Statements  
for the Year Ended 31 March 2021  
for  
Swindon Music Service

MHA Monahans  
Chartered Accountants  
38-42 Newport Street  
Swindon  
Wiltshire  
SN1 3DR

**Swindon Music Service**

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**for the Year Ended 31 March 2021**

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## **Swindon Music Service**

### **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).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The objects of the charity are for the public benefit: to advance education particularly (but not exclusively) in relation to music; to advance the arts and culture, particularly (but not exclusively), by promoting and facilitating access to, performances of, and participation in performances of, music; to provide for the recreation of members of the public by providing equipment, facilities and services to them in the interests of social welfare with the object of improving their conditions of life. Nothing in this constitution shall authorise an application of the property of the charity for purposes which are not charitable in accordance with section 7 of the charities and trustee investment (Scotland) act 2005 and section 2 of the charities act (Northern Ireland) 2008.

The Charity aims to create opportunities which will deepen the interests and skills of children and young people from 0 to 18, and families and people of all ages in the community through providing a range of musical and social experiences. Music programmes in local schools will be delivered, supported and facilitated.

##### **Public benefit**

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.



## Swindon Music Service

### Report of the Trustees for the Year Ended 31 March 2021

#### **ACHIEVEMENT AND PERFORMANCE**

During this year the charity achieved the following:

#### **SCHOOLS**

We engaged on a number of levels with schools:

- through singing festivals - This has been achieved through our virtual (online) services during COVID-19 lockdowns. Unfortunately, although we have kept the services going, we have not been able to generate the income usually associated with these festivals through parent and family performance ticket sales.
- network meetings - again, we set-up online virtual meeting as and when requested.
- music training for classroom teachers - two SMS music tutors supported schools' staff with providing resources and guidance to support children and young people whilst studying from home during national lockdowns.
- support and challenge for school management.

All of these have continued to contribute to the positive context for continuing Whole Class Ensemble Tuition (WCET) take-up. During the lockdown periods, tutors provided online lessons through pre-recorded lessons to enable music to continue to be offered through their schools.

- **WCET & Continuation/progression** was delivered by Swindon Music Service (SMS) and was delivered to the majority of primary Swindon schools reaching approximately **3185 pupils**.

- **Continuation/progression** - SMS and its partners facilitated **1772 pupils** who participated in WCET in 2019/20 to access progression opportunities in 2020/21. This represents a **56% continuation rate** from WCET.

- **Singing** The hub has continued to add resources to its local song bank for schools over the last six years and this has been added to again this year. Schools access the songs through the hub website. Although singing is valued in all Swindon schools, government guidance has severely limited singing for pupils in schools. Even when a relaxation of the guidance was published, schools were reluctant to participate in most cases. The festivals still took place three times a year via a film being produced and offered to schools at no extra cost. CPD for teachers was delivered via Zoom. A partnership with Norfolk Music hub facilitated a national virtual singing festival and offered to schools, again at no cost.

- **Secondary School Progression Groups** - Due to the pandemic, this programme was altered to allow students the opportunity to receive online individual lessons. This year saw us going into our fourth year of secondary progression and transition projects. This scheme promoted the uptake of traditional 'endangered' orchestral instruments in KS3.

**Individual lessons** - SMS was encouraged by the Arts Council England (our funders) to develop online individual lessons. These were well-received and generated a little work for some of the tutors over this period. Other tutors were furloughed. SMS is now seeing this as a growth area with schools starting to buy-in or facilitate parent paying for lessons during the school day.

- **GCSE MUSIC** - Bournemouth Symphony Orchestra (BSO), is one of our regional partners that supported progression at KS3-4 in Swindon through its annual GCSE Set-Works concert. This year a virtual performance was made available to schools due to the pandemic.

We continued to meet the key headings within our School Music Education Plan as follows:

- **Communications.** We continued to communicate with schools and the community through a series of eNewsletters, phone call and emails during this year as an alternative arrangement.

- **Tutors** were supported through Zoom meetings, virtual coffee meetings, eNewsletter, emails and phone calls.

- **Curriculum Support and CPD.** This was built into our membership system, so that schools requiring specialist support could purchase this through our service offer. In addition to this we provided some additional forms of support such as vocal training for teachers as part of our singing festivals and hands-on inset on classroom music for primary teachers at our network meetings. We also provided an annual CPD for our delivery tutors.

- **Provision.** Our provision for schools and community continued to evolve through our virtual online programmes over the year. Our service offered to schools included a large number of WCET, group and individual tuition sessions across **59 primary** and **6 secondary** schools. This was supplemented by a range of other offers including singing festivals and visiting 'roadshows' (Pre-recorded films for our music concert series), all of which are very popular with our schools. We are continuing to invest (through higher level subsidy) in developing a secondary (key stage 3) instrumental programme, focussing on the 'endangered' orchestral instruments. Recently this has included clarinet, trumpet and trombone.

**LOCAL COMMUNITY** - Swindon Young Musicians was developed through our virtual world programme seeing pupils accessing resources from our website and then given the option of attending google hangout sessions facilitated by our tutors. From September 2020 we introduced limited face-to-face ensemble and band rehearsals following the DfE and out of school national guidance.



**Swindon Music Service**  
**Report of the Trustees**  
**for the Year Ended 31 March 2021**

**INCLUSION**

SMS has continued to support pupils from the following categories this year:

Special Educational Needs and Disabilities (SEND) through a programme offered to special schools and mainstream schools with a SEND department.

Offered 60% discount for SYM membership fees and/or musical instrument hire for pupils from financially deprived families.

100% discount for SYM membership fees and/or musical instrument hire for Looked After Children (LAC) and forces families.

Bursary opportunities for the more gifted and talented musicians.

During the next year we will be commissioning an independent Inclusion review.

**NEEDS ANALYSIS**

Last year we developed our provision based on need and on improved intelligence gathering and data collection. Our data app continues to assist with helping us gather further information from schools in terms of our analysis of need. In addition, our CPD programme to schools, along with our support and challenge work, assists with identifying the needs of our schools. As part of our support and challenge conversations with schools we discuss their needs. As in previous years, the hub advisory group (consisting of representatives from schools, parents and delivery partners) continued to inform an important part of our knowledge gathering process, feeding in views about local need. We continue to consult with young people as a priority. We have also become a partner in the local authority's new Swindon Participation group where we share good practice and work together to develop a joined-up system for children and young people where they have a voice in informing need.

**FINANCIAL REVIEW**

**Financial position and principal funding sources**

The charity has managed to achieve its goal for the second-year target of £100k towards its reserves pot. It has also continued to secure the Department for Education (DfE) grant for music hubs administered through the Arts Council England (ACE).

The charity is therefore secure in its funding for the next year prior to any further DfE agreements beyond 2022 announced in the Strategic Spending Review (yet to be announced).

The charity continues to create a 'mixed-economy' approach seeing the DfE grant approximately doubling to create the gross income for the year.

The charity gained a £50k loan from the local authority to assist with the initial cashflow and pensions agreement through an escrow of £45k; each to be paid back over a three-year period. The charity has successfully completed its second year's payments in spite of the pandemic.

At the end of the second year, the charity continues to set itself up with a solid foundation to financially continue to grow and succeed.

At 31 March 2021, the charity held total funds of £231,702.

## **Swindon Music Service**

### **Report of the Trustees** **for the Year Ended 31 March 2021**

#### **FINANCIAL REVIEW**

##### **Reserves policy**

A reserves policy has been produced for this new charity.

#### **DEFINITIONS AND GOALS**

The Operating Reserve Fund is defined as the designated fund set aside by action of the trustee board. The minimum amount to be designated as operating reserves will be established as an amount sufficient to maintain ongoing operations and programs for a set period of time, measured in months. The operating reserve serves a dynamic role and will be reviewed and adjusted in response to internal and external changes. The projection to achieve the overall reserve fund is achievable over 4-years as follows:

- Year One £50k 2019/20
- By the end of Year Two £100k 2020/21
- By the end of Year Three £160k 2021/22
- By the end of Year Four £220k 2022/23

The target minimum Operating Reserve Fund is equal to 6-months of average recurring operating costs. The actual calculation of average recurring operating costs is set out in the yearly budget monitoring process. The target of £220k is spread over 4-year period.

At 31 March 2021, the charity held total funds of £231,702 of which £108,468 are held as tangible fixed assets, leaving £123,234 as free reserves. The amount held as free reserves is in line with our reserves policy.

#### **Principal risks and uncertainties**

As this report is being produced, we are experiencing the COVID-19 lockdown and the financial position is still looking stable. This will be dependent on the continued buy-in from both schools and the local community through the lockdown and coming through the other end.

Income streams are somewhat uncertain until schools fully return and purchase musical provision for the academic year 2020/21.

In its first 3-years of operation, the charity will continue to be reliant on the DfE grant to enable it to continue to offer the broad array of musical opportunities to the children and young people of Swindon.

#### **FUTURE PLANS**

Our future plans are to continue to expand the partnership arrangements in order to ensure that the children and young people get the very best musical opportunities they can.

We wish to continue to develop our inclusion strategy and to offer grants to local delivery partners to support this strategy - to include opportunities for pupils from financially deprived families to access musical opportunities.

Due to COVID-19, SMS has developed online musical lessons and continued to support schools and pupils at home to access musical activities in support of their learning. SMS will continue to pitch its mainstream offer outlined above but, in addition, pitch add-on services developed during the lockdown period. By this, if social distancing remain for some time, SMS will be in a good position to remain 'fleet-of-foot' and adapt its clients' needs.

For SMS to develop, it will continue to look for ways in which it can diversify within the scope of its constitution to gain further income. This was also a recommendation from the annual ACE report for 2019/20.

SMS will also continue to negotiate with the council to secure a longer lease (10-years) for the Platform building that is used for many of the musical activities on offer.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The Charity is a Charitable Incorporated Organisation. The governing document is an agreed constitution set out by SMS's lawyers and agreed with the charities commission.

##### **Recruitment and appointment of new trustees**

###### **Recruitment:**

New trustees are appointed by the current board of trustees. A Job Specification for potential trustees is available.

###### **Appointment:**

The selection and appointment is based on achieving a diverse set of skills across the board of trustees. All trustees must agree the appointment of a new trustee and approval is included in the board's minutes.



**Swindon Music Service**  
**Report of the Trustees**  
**for the Year Ended 31 March 2021**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Organisational structure**

The Board of Trustees:

The board oversee the financial budgeting and the services offered by the charity put forward by the Senior Leadership team (SLT) of the charity. The Chief Executive of the charity is an ex-officio trustee and the chair of the SLT. The Board of Trustees also have a number of sub-groups that work closer with the SLT:

- Internal Audit sub-group
- HR sub-group
- Finance/Fundraising sub-group
- Public relations/Comms sub-group

The Chief Executive has been delegated the responsibility for the day-to-day running of the charity in collaboration with the SLT. SLT consists of the following:

- Chief Executive
- Operations Delivery Manager - schools
- Singing Champion/Operations Delivery Manager - community

The charity also has 23 music/instrumental tutors (working through a worker's agreement) that deliver musical services for the charity. In addition there are two apprentices. These tutors and apprentices are managed by the SLT.

**Induction and training of new trustees**

New trustees receive access to induction materials on our centralised system (Governorhub).

Training is offered when needed. There are also opportunities for trustees to attend national music education conferences and/or training. Local training is available through online resources.

**Key management remuneration**

The senior leadership team were TUPE'd across from the local authority to the new charity and all three have pay and conditions through the national HAY pay structure. When any pay increases are announced nationally, the board of trustees will have oversight and will need to agree any further pay awards.

**Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees confirm that major risks have been reviewed and systems or procedures have been established to manage those risks.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Charity number**

1179203

**Principal address**

The Platform  
Faringdon Road  
Swindon  
Wiltshire  
SN1 5BJ

**Trustees**

Major P Clark Ex Officio Trustee and CEO  
D Eaton  
T Wilkes  
C Bannon  
K James  
G Cheal  
R Dolz

**Swindon Music Service**

**Report of the Trustees**  
**for the Year Ended 31 March 2021**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Independent Examiner**

S G Fraser  
FCA  
MHA Monahans  
Chartered Accountants  
38-42 Newport Street  
Swindon  
Wiltshire  
SN1 3DR

**Senior Management Team**

Major (retd) P Clark - CEO  
Mr P Rowe - Operations Delivery Manager  
Mrs J Clark - Singing Champion/Early Years/SYM Manager

**Solicitors**

Bates Wells Braithwaite  
10 Queen Street Place  
London  
EC4R 1BE

**Bankers**

Metro Bank  
1-4 Regent Street  
Swindon  
SN1 1JQ

**Oct 15, 2021**

Approved by order of the board of trustees on ..... and signed on its behalf by:

*T Wilkes*

.....  
T Wilkes (Oct 15, 2021 12:33 GMT+1)

T Wilkes - Trustee



**Independent Examiner's Report to the Trustees of  
Swindon Music Service**

**Independent examiner's report to the trustees of Swindon Music Service**

I report to the charity trustees on my examination of the accounts of Swindon Music Service (the Trust) for the year ended 31 March 2021.

**Responsibilities and basis of report**

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent examiner's statement**

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of FCA which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



S. G. Fraser  
FCA  
MHA Monahans  
Chartered Accountants  
38-42 Newport Street  
Swindon  
Wiltshire  
SN1 3DR

Date: 18th October 2021

**Swindon Music Service**

**Statement of Financial Activities**  
**for the Year Ended 31 March 2021**

	Notes	Unrestricted fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	377,970	-	377,970	497,028
<b>Charitable activities</b>	4				
Music Education		181,322	-	181,322	204,375
Other trading activities	3	51	-	51	26,142
<b>Total</b>		<u>559,343</u>	<u>-</u>	<u>559,343</u>	<u>727,545</u>
 <b>EXPENDITURE ON</b>					
Raising funds	5	66	-	66	945
<b>Charitable activities</b>	6				
Music Education		511,605	-	511,605	542,570
<b>Total</b>		<u>511,671</u>	<u>-</u>	<u>511,671</u>	<u>543,515</u>
 <b>NET INCOME</b>		<u>47,672</u>	<u>-</u>	<u>47,672</u>	<u>184,030</u>
 <b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		184,030	-	184,030	-
 <b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>231,702</u></u>	<u><u>-</u></u>	<u><u>231,702</u></u>	<u><u>184,030</u></u>

The notes form part of these financial statements

**Swindon Music Service**

**Balance Sheet**  
**31 March 2021**

	Notes	Unrestricted fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	13	108,468	-	108,468	133,534
<b>CURRENT ASSETS</b>					
Debtors	14	11,565	-	11,565	33,490
Cash at bank and in hand		170,724	-	170,724	115,835
		<u>182,289</u>	<u>-</u>	<u>182,289</u>	<u>149,325</u>
<b>CREDITORS</b>					
Amounts falling due within one year	15	(56,155)	-	(56,155)	(80,229)
<b>NET CURRENT ASSETS</b>		<u>126,134</u>	<u>-</u>	<u>126,134</u>	<u>69,096</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>234,602</u>	<u>-</u>	<u>234,602</u>	<u>202,630</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	16	(2,900)	-	(2,900)	(18,600)
<b>NET ASSETS</b>		<u>231,702</u>	<u>-</u>	<u>231,702</u>	<u>184,030</u>
<b>FUNDS</b>	18				
Unrestricted funds				<u>231,702</u>	<u>184,030</u>
<b>TOTAL FUNDS</b>				<u>231,702</u>	<u>184,030</u>

The financial statements were approved by the Board of Trustees and authorised for issue on  
Oct 15, 2021 ..... and were signed on its behalf by:

*T Wilkes*

T Wilkes - Trustee



**Swindon Music Service**

**Cash Flow Statement**  
**for the Year Ended 31 March 2021**

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	87,312	253,320
Interest paid		(2,646)	(2,646)
Net cash provided by operating activities		<u>84,666</u>	<u>250,674</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(14,077)</u>	<u>(169,139)</u>
Net cash used in investing activities		<u>(14,077)</u>	<u>(169,139)</u>
<b>Cash flows from financing activities</b>			
New loans in year		-	50,000
Loan repayments in year		<u>(15,700)</u>	<u>(15,700)</u>
Net cash (used in)/provided by financing activities		<u>(15,700)</u>	<u>34,300</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>54,889</u>	<u>115,835</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>115,835</u>	<u>-</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>170,724</u></u>	<u><u>115,835</u></u>

The notes form part of these financial statements

**Swindon Music Service**

**Notes to the Cash Flow Statement**  
**for the Year Ended 31 March 2021**

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2021 £	2020 £
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	47,672	184,030
<b>Adjustments for:</b>		
Depreciation charges	39,143	35,605
Interest paid	2,646	2,646
Decrease/(increase) in debtors	21,925	(33,490)
(Decrease)/increase in creditors	(24,074)	64,529
<b>Net cash provided by operations</b>	<u>87,312</u>	<u>253,320</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 and in hand	115,835	54,889	170,724
	<u>115,835</u>	<u>54,889</u>	<u>170,724</u>
<b>Debt</b>			
Debts falling due within 1 year	(15,700)	-	(15,700)
Debts falling due after 1 year	(18,600)	15,700	(2,900)
	<u>(34,300)</u>	<u>15,700</u>	<u>(18,600)</u>
<b>Total</b>	<u>81,535</u>	<u>70,589</u>	<u>152,124</u>

## Swindon Music Service

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 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 have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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 (FRS102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest pound.

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

##### **Legal status of the charity and General Information**

The charity is a charitable incorporated organisation (CIO). The registered office address can be found in the Trustees' Report.

##### **Critical accounting judgements and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### Critical accounting estimates and assumptions

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no critical accounting estimates or assumptions.

##### Critical areas of judgement

There are no critical areas of judgement.

##### **Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Trading income is included in incoming resources in the SOFA and trading costs are included in resources expended. Income represents commissions receivable, excluding value added tax.



## Swindon Music Service

### Notes to the Financial Statements - continued for the Year Ended 31 March 2021

#### **1. ACCOUNTING POLICIES - continued**

##### **Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes of insert details;
- Expenditure on charitable activities includes insert details; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Music equipment	- 20% on straight line basis
Fixtures and fittings	- 25% on straight line basis
Computer equipment	- 33% on straight line basis

Fixed assets costing in excess of £500 are capitalised.

##### **Taxation**

The charity is exempt from tax on its charitable activities.

##### **Fund accounting**

Unrestricted funds are donations and other income received or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are to be used for specified purposes as laid down by the donor which have been raised by the charity for specific purposes. Expenditure which meets these criteria is identified to the fund.

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

##### **Pension costs and other post-retirement benefits**

Retirement benefits to employees of the Charity are provided by the Local Government Pension Scheme ('LGPS'), a defined benefit scheme, and NEST, a defined contribution scheme.

##### **Defined benefit scheme**

Under the transfer agreement from the local authority, the charity's deficit at each actuarial valuation of the Fund is capped at £45,000. The employer's contributions made to the scheme plus the payments made to the local authority as part of the Pension Escrow are charged to the Statement of Financial Activities as incurred.

##### **Defined contribution scheme**

The assets of the scheme are held separately from those of the charity in an independently administered fund, NEST. The costs of the defined contribution arrangements are charged as incurred.

##### **Donated goods, services and facilities**

Donated goods, services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised and refer to the trustees' annual report for more information about their contribution.

On receipt, donated goods, services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Goods donated for on-going use by a charity in carrying out its activities are recognised as tangible fixed assets with the corresponding gain recognised as income from donations within the SoFA. Donated vehicles, plant or furniture are recognised as tangible fixed assets when their fair value exceeds the threshold for capitalisation set by the charity's accounting policy.

## Swindon Music Service

### Notes to the Financial Statements - continued for the Year Ended 31 March 2021

#### 1. ACCOUNTING POLICIES - continued

##### **Financial instruments**

The charitable trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

##### **Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

##### **Redundancy / Termination payments**

Termination benefits are measured at the best estimate of the expenditure required to settle the obligation at the reporting date. If the expected settlement date of the termination payments is 12 months or more after making the provision and the effect would be material, the present value of the obligation is calculated using an appropriate discount rate.

#### 2. DONATIONS AND LEGACIES

	2021 £	2020 £
Donations	828	7,132
Grants	366,751	320,896
Membership income	10,391	15,694
Donated fixed assets	-	153,306
	<u>377,970</u>	<u>497,028</u>

In 2019-2020, as part of the agreement with Swindon Borough Council, the council transferred a number of assets comprising musical instruments to the charity. These have been valued at open market value at the date of transfer.

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

	2021 £	2020 £
Arts Council England	323,979	320,896
SBC Coronavirus Support Grants	42,772	-
	<u>366,751</u>	<u>320,896</u>

#### 3. OTHER TRADING ACTIVITIES

	2021 £	2020 £
Fundraising events	-	249
Café income	51	2,548
Hire of premises	-	23,305
Hire of instruments	-	40
	<u>51</u>	<u>26,142</u>



## Swindon Music Service

### Notes to the Financial Statements - continued for the Year Ended 31 March 2021

#### 4. INCOME FROM CHARITABLE ACTIVITIES

		2021	2020
	Activity	£	£
Grants	Music Education	70,385	7,800
Fees from Schools	Music Education	103,430	167,567
Fees from Parents	Music Education	7,507	29,008
		<u>181,322</u>	<u>204,375</u>

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

	2021	2020
	£	£
Swindon Borough Council	6,300	7,800
Coronavirus Job Retention Scheme	64,085	-
	<u>70,385</u>	<u>7,800</u>

#### 5. RAISING FUNDS

##### Raising donations and legacies

	2021	2020
	£	£
Café costs	66	945
	<u>66</u>	<u>945</u>

#### 6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7)	Support costs (see note 8)	Totals
	£	£	£
Music Education	489,146	22,459	511,605
	<u>489,146</u>	<u>22,459</u>	<u>511,605</u>

#### 7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021	2020
	£	£
Staff costs	352,791	402,962
Insurance	16,007	20,403
Light and heat	8,420	9,196
Telephone	1,952	2,996
Postage and stationery	3,230	3,232
Advertising	203	1,223
Contributions to Hub partnership and other sponsorship	6,800	-
Freelancers	2,322	4,376
Exam fees	(163)	393
Instrument repairs and consumables	3,906	2,405
Sheet music	-	927
Licences	36,805	1,899
Activity weekend	-	3,538
Travel	-	1,525
Computer costs	8,512	9,673
Other costs	9,218	18,348
Depreciation	39,143	35,605
	<u>489,146</u>	<u>518,701</u>



# Swindon Music Service

## Notes to the Financial Statements - continued for the Year Ended 31 March 2021

### 8. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Music Education	<u>14,937</u>	<u>2,646</u>	<u>4,876</u>	<u>22,459</u>

Support costs, included in the above, are as follows:

	2021 Music Education £	2020 Total activities £
Legal, HR and consultancy	14,937	5,918
Interest payable and similar charges	2,646	2,646
Legal fees - set up	-	11,836
Accountancy and independent examination	4,876	3,469
	<u>22,459</u>	<u>23,869</u>

### 9. TRUSTEES' REMUNERATION AND BENEFITS

The Ex Officio Trustee, P Clark, is employed by the Charity, as per the Charity's constitution, as Chief Executive Officer, and earned gross salary of £51,646 (2020: £50,650) and employers pension contribution of £10,040 (2020: £9,801).

There were no other trustees' remuneration or other benefits 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.

### 10. STAFF COSTS

	2021 £	2020 £
Wages and salaries	295,816	334,714
Social security costs	14,902	20,406
Other pension costs	42,073	47,842
	<u>352,791</u>	<u>402,962</u>

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

	2021	2020
Music teachers	24	24
CEO	1	1
	<u>25</u>	<u>25</u>

No employees received emoluments in excess of £60,000.

The key management personnel of the charity comprise the Trustees and the senior management personnel as listed on page 2. The total employee benefits of the key management personnel of the charity were £172,527 (2020 : £162,747.)

**Swindon Music Service**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021**

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

	Unrestricted fund £	Restricted fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	497,028	-	497,028
<b>Charitable activities</b>			
Music Education	196,575	7,800	204,375
Other trading activities	26,142	-	26,142
<b>Total</b>	719,745	7,800	727,545
 <b>EXPENDITURE ON</b>			
Raising funds	945	-	945
<b>Charitable activities</b>			
Music Education	534,770	7,800	542,570
<b>Total</b>	535,715	7,800	543,515
 <b>NET INCOME</b>	184,030	-	184,030
 <b>TOTAL FUNDS CARRIED FORWARD</b>	184,030	-	184,030

**12. GOVERNMENT GRANT INCOME**

	2021 £	2020 £
Arts Council England	323,979	320,896
Swindon Borough Council	42,772	7,800
HM Revenue & Customs	64,085	

There were no unfulfilled conditions or other contingencies attached to these grants. The charity has not directly benefited from any other forms of government assistance other than the following:

1. Swindon Borough Council have provided a loan (see note 14) to support the charity in its first years of operation
2. Swindon Borough Council have agreed to cap the charity's LGPS liability at £45,000 (see note 16).
3. In 2019-2020, As part of the transfer agreement with Swindon Borough Council, the council transferred a number of assets to the charity (see note 2).

**Swindon Music Service**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021**

**13. TANGIBLE FIXED ASSETS**

	Music equipment £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 April 2020	155,806	-	13,333	169,139
Additions	6,572	3,351	4,154	14,077
At 31 March 2021	162,378	3,351	17,487	183,216
<b>DEPRECIATION</b>				
At 1 April 2020	31,161	-	4,444	35,605
Charge for year	32,476	838	5,829	39,143
At 31 March 2021	63,637	838	10,273	74,748
<b>NET BOOK VALUE</b>				
At 31 March 2021	98,741	2,513	7,214	108,468
At 31 March 2020	124,645	-	8,889	133,534

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

	2021 £	2020 £
Trade debtors	6,740	26,201
Prepayments	4,825	7,289
	<u>11,565</u>	<u>33,490</u>

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

	2021 £	2020 £
Other loans (see note 17)	15,700	15,700
Trade creditors	2,694	9,082
Social security and other taxes	5,128	8,473
Accruals and deferred income	32,633	46,974
	<u>56,155</u>	<u>80,229</u>

At the balance sheet date the charity was holding funds of £29,483 (2020: £43,974) received in advance for the April-July 2021 school term.

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2021 £	2020 £
Other loans (see note 17)	<u>2,900</u>	<u>18,600</u>

**17. LOANS**

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year on demand:		
Other loans	<u>15,700</u>	<u>15,700</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>2,900</u>	<u>15,700</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>-</u>	<u>2,900</u>



**Swindon Music Service**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021**

**17. LOANS - continued**

The Charity received a loan of £50,000 from Swindon Borough Council which is payable over 3 years. Interest is charged at 6%.

**18. MOVEMENT IN FUNDS**

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
<b>Unrestricted funds</b>			
General fund	184,030	47,672	231,702
<b>TOTAL FUNDS</b>	<u>184,030</u>	<u>47,672</u>	<u>231,702</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	559,343	(511,671)	47,672
<b>TOTAL FUNDS</b>	<u>559,343</u>	<u>(511,671)</u>	<u>47,672</u>

**Comparatives for movement in funds**

	Net movement in funds £	At 31.3.20 £
<b>Unrestricted funds</b>		
General fund	184,030	184,030
<b>TOTAL FUNDS</b>	<u>184,030</u>	<u>184,030</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	719,745	(535,715)	184,030
<b>Restricted funds</b>			
Early Years Music Intervention Project	7,800	(7,800)	-
<b>TOTAL FUNDS</b>	<u>727,545</u>	<u>(543,515)</u>	<u>184,030</u>

Early Years Music Intervention Project - funding from Swindon Borough Council to support, through music, disadvantaged/low income families with 0-30 months age group children.

**Swindon Music Service**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2021**

**19. EMPLOYEE BENEFIT OBLIGATIONS**

The pension cost charge representing contributions payable by the charity to NEST amounted to £3,471 (2020 : £2,497). At 31 March 2021 and 31 March 2020 no contributions were payable.

The pension cost charge representing contributions payable by the charity to the LGPS amounted to £23,602 (2020 : £30,345). At 31 March 2021 and 31 March 2020 no contributions were payable. The charity also made payments of £15,000 as part of the Pension Escrow agreement - see below.

**Pension Escrow**

The transfer agreement with Swindon Borough Council (SBC) included an escrow that caps the charity's liability to exit the LGPS scheme at £45,000. If the liability to exit the scheme is lower than £45k then the charity will receive the remainder.

The Charity shall pay the sum of £45,000 over to SBC over a three year period commencing 1 April 2019 in quarterly instalments. The payments are recognised as an expense in the statement of financial activities upon payment.

**20. RELATED PARTY DISCLOSURES**

The spouse of Ex Officio Trustee and Chief Executive Officer P Clark, is employed by the charity as singing champion/early years manager and was paid gross salary of £37,433 (2020 : £32,842) and employers pension contributions of £7,810 (2020: £6,394).

The spouse of trustee K James, is employed by the charity as a music teacher and was paid gross salary of £3,810 (2020: £2,968).

The spouse of key management personnel, P Rowe, is employed by the charity as a music teacher and was paid gross salary of £7,986 (2020: £9,223), employers NI of £100 (2020: nil) and employers pension contributions of £63 (2020: £101).