

Report of the Trustees and
Unaudited Financial Statements
for the Year Ended 31 March 2023
for
Swindon Music Service

Monahans
Chartered Accountants
Hermes House
Fire Fly Avenue
Swindon
Wiltshire
SN2 2GA

Swindon Music Service

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for the Year Ended 31 March 2023

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Swindon Music Service

Report of the Trustees
for the Year Ended 31 March 2023

The trustees present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 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 2023

ACHIEVEMENT AND PERFORMANCE

During this year the charity achieved the following:

SCHOOLS

Core Role One Whole Class Ensemble Tuition: SMS has continued to deliver whole class ensemble tuition to the majority of primary schools. This is in line with the National Plan for Music Education. Our annual Needs Analysis shows that this is the most important aspect of our services to schools during the year

Core Role Three PROGRESSION: all local delivery partners received funding to assist with the music hub's remissions policy allowing children and young people from less well-off families accessing progression paths regarding their music-making. The remissions policy allows for a 60 - 50% reduction in costs.

Core Role Four SINGING Strategy: The charity has now fully recovered from the pandemic seeing schools participating in the festivals at the Wyvern theatre once again. Through our annual Needs Analysis, schools tell us that they value this aspect of our services.

- **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 we managed to reintroduce the live performance workshop once again.

Extension Role Three Live Music Professional Opportunities: : SMS now delivered live (face-to-face) Roadshows to schools. Groups and ensembles are back up and running on a weekly basis and the termly concerts are held at the Platform to a live audience.

Extension Role One CPD: CPD for schoolteachers saw a variety of offers to schools, which are now delivered face-to-face and online. The online sessions are bite-sized sessions concentrating on school staff being up-skilled to deliver the music curriculum. Our main face-to-face session concentrated on OFSTED Deep Dive inspection requirements.

Extension Role Two: Instrument hire/loan scheme: Musical instruments are offered at a reduced cost to keep musical learning costs as low as possible. The charity also has a remissions policy that allows for a further 60% reduction for those children and young people from less well-off families and a free loan scheme for Look After Children (LAC).

Additional Information for SCHOOLS: A small team of schools' outreach officers supported KS1 & 2 schools through music coordinators by developing their school music curriculum and giving advice where needed.

COMMUNITY

Core Role Two ENSEMBLES: : Swindon Young Musicians is, once again, going from strength to strength seeing numbers attending ensembles increasing back to the numbers we had prior to the pandemic. The charity also worked in partnership with Music for Youth and hosted the regional festival as one of the southwest centres. During this year, we engaged Dr Phil Mullen to start a consultation programme with the Hub. As a result a 4-year action plan was produced. The plan has now been published and the action plan has been agreed we have started to implement them.

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

- **Communications.** Communication with schools and the community through a series of eNewsletters, phone call and emails throughout the year.

- **Tutors** Support for tutors is through phone calls, emails and eNewsletters throughout the year. In addition we hold a full day CPD session for them in September prior to them starting their school work for the new academic year.

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.

NEEDS ANALYSIS

Swindon Music Service
Report of the Trustees
for the Year Ended 31 March 2023

School and community Needs Analysis is gathered through Survey Monkey. In addition, our data app continues to assist with helping us gather further information throughout the year. 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 at total of £183,809 reserves to date. Free reserves (excluding fixed assets) of £139,612 have been achieved compared to the fourth-year target of £185k. 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 2023 due to be announced along with a new National Plan for Music Education (NPME).

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 pension's agreement through an escrow of £45k; each to be paid back over a three-year period. The charity has successfully completed all payments despite the pandemic. This sees the cashflow loan fully paid back and the £45k escrow now being held by the local authority.

At the end of the third year, the charity enjoys a solid foundation enabling further growth and success.

Reserves policy

A reserves policy has been produced for this new charity and was revised during 2022.

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, measured in months. The operating reserve serves a dynamic role and will be reviewed and adjusted in response to internal and external changes. At a board meeting (held on 22nd March 2022), the Board of trustees agreed to adjust the projection to achieve the overall reserve fund to be achieved over a 8-year period as a result of succession planning coming out of the pandemic.

- End of year four £139,612k 2022/23
- End of year five £160,000k 2023/24
- End of year six £180,000k 2024/25
- End of year seven £200,000k 2025/26
- End of year eight £220,000k 2026/27

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 5-year period.

At 31 March 2023, the charity held total funds of £183,809 of which £44,197 are held as tangible fixed assets, leaving £139,612 as free reserves. This is below the target of £185k.

Principal risks and uncertainties

In its first 4-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.

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 2022-2023.

Swindon Music Service

Report of the Trustees **for the Year Ended 31 March 2023**

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.

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 several 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 where they 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

Swindon Music Service
Report of the Trustees
for the Year Ended 31 March 2023

Trustees

Major P Clark Ex Officio Trustee and CEO
D Eaton
T Wilkes
C Bannon
K James
G Cheal (resigned 1.5.22)
R Dolz
S Chan (appointed 9.1.23)

Independent Examiner

James Gare FCA DChA
Monahans
Chartered Accountants
Hermes House
Fire Fly Avenue
Swindon
Wiltshire
SN2 2GA

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

Approved by order of the board of trustees on 31st August 2023 and signed on its behalf by: SWINDON MUSIC SERVICE CIO

R G Dolz

R G Dolz (Sep 7, 2023 10:04 GMT+1)

R Dolz - 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 2023.

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 member of the Institute of Chartered Accountants in England and Wales, 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.

James Gare FCA DChA

Monahans
Chartered Accountants
Hermes House
Fire Fly Avenue
Swindon
Wiltshire
SN2 2GA

Date:

Swindon Music Service

Statement of Financial Activities
for the Year Ended 31 March 2023

	Notes	Unrestricted fund £	Restricted fund £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	350,637	-	350,637	348,922
Charitable activities	4				
Music Education		182,862	-	182,862	169,305
Other trading activities	3	5,069	-	5,069	1,732
Total		<u>538,568</u>	<u>-</u>	<u>538,568</u>	<u>519,959</u>
 EXPENDITURE ON					
Raising funds	5	1,598	-	1,598	1,903
Charitable activities	6				
Music Education		564,275	-	564,275	538,644
Total		<u>565,873</u>	<u>-</u>	<u>565,873</u>	<u>540,547</u>
 NET INCOME/(EXPENDITURE)		(27,305)	-	(27,305)	(20,588)
 RECONCILIATION OF FUNDS					
Total funds brought forward		211,114	-	211,114	231,702
 TOTAL FUNDS CARRIED FORWARD		<u><u>183,809</u></u>	<u><u>-</u></u>	<u><u>183,809</u></u>	<u><u>211,114</u></u>

The notes form part of these financial statements

Swindon Music Service

**Balance Sheet
31 March 2023**

	Notes	Unrestricted fund £	Restricted fund £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	13	44,197	-	44,197	71,268
CURRENT ASSETS					
Debtors	14	31,325	-	31,325	33,784
Cash at bank and in hand		173,489	-	173,489	180,204
		<u>204,814</u>	<u>-</u>	<u>204,814</u>	<u>213,988</u>
CREDITORS					
Amounts falling due within one year	15	(65,202)	-	(65,202)	(74,142)
NET CURRENT ASSETS		<u>139,612</u>	<u>-</u>	<u>139,612</u>	<u>139,846</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>183,809</u>	<u>-</u>	<u>183,809</u>	<u>211,114</u>
NET ASSETS		<u>183,809</u>	<u>-</u>	<u>183,809</u>	<u>211,114</u>
FUNDS	17				
Unrestricted funds				183,809	211,114
TOTAL FUNDS				<u>183,809</u>	<u>211,114</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 31st August 2023 and were signed on its behalf by: SWINDON MUSIC SERVICE CIO

R G Dolz

R G Dolz (Sep 7, 2023 10:04 GMT+1)

R Dolz - Trustee

Swindon Music Service

Cash Flow Statement
for the Year Ended 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	3,572	30,322
Interest paid		-	301
Net cash provided by operating activities		<u>3,572</u>	<u>30,623</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(10,287)</u>	<u>(2,543)</u>
Net cash used in investing activities		<u>(10,287)</u>	<u>(2,543)</u>
Cash flows from financing activities			
Loan repayments in year		-	(18,600)
Net cash provided by/(used in) financing activities		<u>-</u>	<u>(18,600)</u>
Change in cash and cash equivalents in the reporting period		<u>(6,715)</u>	<u>9,480</u>
Cash and cash equivalents at the beginning of the reporting period		<u>180,204</u>	<u>170,724</u>
Cash and cash equivalents at the end of the reporting period		<u><u>173,489</u></u>	<u><u>180,204</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 2023

1.	RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES	2023	2022
		£	£
	Net expenditure for the reporting period (as per the Statement of Financial Activities)	(27,305)	(20,588)
	Adjustments for:		
	Depreciation charges	37,358	39,744
	Interest paid	-	(301)
	Decrease/(increase) in debtors	2,459	(22,219)
	(Decrease)/increase in creditors	(8,940)	33,686
	Net cash provided by operations	<u>3,572</u>	<u>30,322</u>

2.	ANALYSIS OF CHANGES IN NET FUNDS	At 1.4.22	Cash flow	At 31.3.23
		£	£	£
	Net cash			
	Cash at bank and in hand	<u>180,204</u>	<u>(6,715)</u>	<u>173,489</u>
		<u>180,204</u>	<u>(6,715)</u>	<u>173,489</u>
	Total	<u>180,204</u>	<u>(6,715)</u>	<u>173,489</u>

The notes form part of these financial statements

Swindon Music Service

Notes to the Financial Statements for the Year Ended 31 March 2023

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 2023

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 2023

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

	2023	2022
	£	£
Donations	4,217	3,253
Grants	328,586	331,031
Membership income	17,834	14,638
	<u>350,637</u>	<u>348,922</u>

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

	2023	2022
	£	£
Arts Council England	328,586	327,031
SBC Coronavirus Support Grants	-	4,000
	<u>328,586</u>	<u>331,031</u>

3. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Café and premises hire income	<u>5,069</u>	<u>1,732</u>

Swindon Music Service

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

4. INCOME FROM CHARITABLE ACTIVITIES

		2023	2022
	Activity	£	£
Grants	Music Education	-	9,459
Fees from Schools	Music Education	136,908	117,190
Fees from Parents	Music Education	45,954	37,081
Other income	Music Education	-	5,575
		<u>182,862</u>	<u>169,305</u>

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

	2023	2022
	£	£
Coronavirus Job Retention Scheme	-	9,459
	<u>-</u>	<u>9,459</u>

5. RAISING FUNDS

Raising donations and legacies

	2023	2022
	£	£
Café costs	1,598	1,903
	<u>1,598</u>	<u>1,903</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7)	Support costs (see note 8)	Totals
	£	£	£
Music Education	<u>554,417</u>	<u>9,858</u>	<u>564,275</u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023	2022
	£	£
Staff costs	391,061	401,630
Rent	20,000	3,233
Insurance	19,753	26,367
Light and heat	7,708	10,658
Telephone	1,661	1,424
Postage and stationery	2,427	2,741
Advertising	2,418	1,945
Contributions to Hub partnership and other sponsorship and grants paid	3,438	4,800
Freelancers	1,385	3,464
Exam fees	549	381
Instrument repairs and consumables	3,104	1,398
Licences	15,271	4,134
Computer costs	7,605	15,666
Other costs	40,679	12,919
Depreciation	37,358	39,744
	<u>554,417</u>	<u>530,504</u>

Swindon Music Service

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

8. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Music Education	5,146	4,712	9,858

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

	2023 Music Education £	2022 Total activities £
Legal, HR and consultancy	5,146	5,098
Interest payable and similar charges	-	(301)
Accountancy and independent examination	4,712	3,343
	<u>9,858</u>	<u>8,140</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 £52,945 (2022: £52,163) and employers pension contribution of £9,636 (2022: £9,494).

There were no other trustees' remuneration or other benefits for the year ended 31 March 2023 nor the year ended 31 March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

10. STAFF COSTS

	2023 £	2022 £
Wages and salaries	346,955	342,379
Social security costs	19,450	19,068
Other pension costs	24,656	40,183
	<u>391,061</u>	<u>401,630</u>

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

	2023	2022
Music teachers	27	26
CEO	1	1
	<u>28</u>	<u>27</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 £152,038 (2022 : £158,567).

Swindon Music Service

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	348,922	-	348,922
Charitable activities			
Music Education	169,305	-	169,305
Other trading activities	1,732	-	1,732
Total	<u>519,959</u>	<u>-</u>	<u>519,959</u>
EXPENDITURE ON			
Raising funds	1,903	-	1,903
Charitable activities			
Music Education	538,644	-	538,644
Total	<u>540,547</u>	<u>-</u>	<u>540,547</u>
NET INCOME/(EXPENDITURE)	(20,588)	-	(20,588)
RECONCILIATION OF FUNDS			
Total funds brought forward	231,702	-	231,702
TOTAL FUNDS CARRIED FORWARD	<u><u>211,114</u></u>	<u><u>-</u></u>	<u><u>211,114</u></u>

12. GOVERNMENT GRANT INCOME

	2023 £	2022 £
Arts Council England	328,586	327,031
Swindon Borough Council	-	4,000
HM Revenue & Customs	-	10,459
Education and skills funding agency	-	1,000

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 Swindon Borough Council have agreed to cap the charity's LGPS liability at £45,000 (see note 18).

Swindon Music Service

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

13. TANGIBLE FIXED ASSETS

	Music equipment £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2022	164,222	3,351	18,186	185,759
Additions	10,287	-	-	10,287
At 31 March 2023	174,509	3,351	18,186	196,046
DEPRECIATION				
At 1 April 2022	96,481	1,675	16,335	114,491
Charge for year	34,902	838	1,618	37,358
At 31 March 2023	131,383	2,513	17,953	151,849
NET BOOK VALUE				
At 31 March 2023	43,126	838	233	44,197
At 31 March 2022	67,741	1,676	1,851	71,268

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	19,937	14,440
Accrued income	-	5,575
Prepayments	11,388	13,769
	<u>31,325</u>	<u>33,784</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	1,065	22,807
Social security and other taxes	8,747	7,902
Other creditors	3,606	3,314
Accruals and deferred income	51,784	40,119
	<u>65,202</u>	<u>74,142</u>

At the balance sheet date the charity was holding funds of £48,553 (2022: £37,158) received in advance for the April-July 2023 school term.

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023 £	2022 £
Within one year	20,000	20,000
Between one and five years	80,000	80,000
In more than five years	16,668	36,667
	<u>116,668</u>	<u>136,667</u>

Swindon Music Service

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

17. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	211,114	(27,305)	183,809
TOTAL FUNDS	<u>211,114</u>	<u>(27,305)</u>	<u>183,809</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	538,568	(565,873)	(27,305)
TOTAL FUNDS	<u>538,568</u>	<u>(565,873)</u>	<u>(27,305)</u>

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	231,702	(20,588)	211,114
TOTAL FUNDS	<u>231,702</u>	<u>(20,588)</u>	<u>211,114</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	519,959	(540,547)	(20,588)
TOTAL FUNDS	<u>519,959</u>	<u>(540,547)</u>	<u>(20,588)</u>

18. EMPLOYEE BENEFIT OBLIGATIONS

The pension cost charge representing contributions payable by the charity to NEST amounted to £3,275 (2022: £2,748). At 31 March 2023, contributions of £1,093 (2022: £838) were payable.

The pension cost charge representing contributions payable by the charity to the LGPS amounted to £21,381 (2022: £22,368). At 31 March 2023, contributions of £2,513 (2022: £2,476) 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 paid the sum of £45,000 over to SBC over a three year period commencing 1 April 2019 in quarterly instalments. The payments were recognised as an expense in the statement of financial activities upon payment.

Swindon Music Service

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

19. 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 £38,374 (2022 : £37,807) and employers pension contributions of £6,984 (2022: £6,881).

The spouse of trustee K James, is employed by the charity as a music teacher and was paid gross salary of £4,108 (2022: £3,694).

The spouse of key management personnel, P Rowe, is employed by the charity as a music teacher and was paid gross salary of £6,152 (2022: £7,017) and employers pension contributions of £41 (2022: £57).

