

**REGISTERED COMPANY NUMBER: 11033978 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1180335**

**Report of the Trustees and**  
**Audited Financial Statements for the Year Ended 31st August 2025**  
**for**  
**Severn Arts**  
**(A Company Limited by Guarantee)**

**Richards Sandy Audit Services Limited**  
**(Statutory Auditor)**  
**Thorneloe House**  
**25 Barbourne Road**  
**Worcester**  
**WR1 1RU**

## Severn Arts

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## **Severn Arts**

### **Reference and Administrative Details for the Year Ended 31st August 2025**

<b>TRUSTEES</b>	J Berrow (resigned 10.3.25) E S Davies (resigned 26.11.25) J de la Cour (resigned 26.11.25) D Herbert H Perrott N Phillips C M Shiels G R Wells V J Yates S L Hutton (appointed 26.2.25) A C Chandra-Paisley (appointed 26.2.25) R C Tucker (appointed 26.2.25) R J F Macpherson (appointed 26.2.25)
<b>REGISTERED OFFICE</b>	Suite 11 Malvern Gate Bromwich Road Worcester Worcestershire WR2 4BN
<b>REGISTERED COMPANY NUMBER</b>	11033978 (England and Wales)
<b>REGISTERED CHARITY NUMBER</b>	1180335
<b>AUDITORS</b>	Richards Sandy Audit Services Limited (Statutory Auditor) Thorneloe House 25 Barbourne Road Worcester WR1 1RU
<b>SENIOR MANAGEMENT TEAM</b>	Laura Worsfold (Chief Executive Officer) Debra Fawcett (Director of Music Education) Elaine Knight (Arts Director) Alex Green (Director of Resources & Operations)
<b>SOLICITORS</b>	Anthony Collins Solicitors 134 Edmund Street Birmingham B3 2ES
<b>BANKER</b>	Lloyds plc 25 Gresham Street London EC2V 7HN

## **Severn Arts**

### **Report of the Trustees for the Year Ended 31st August 2025**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st August 2025. 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).

#### **INTRODUCTION**

Severn Arts is the lead organisation for the delivery and operation of music education in Herefordshire and Worcestershire. It is contracted to run the County Arts services, hosts the Malvern Hills District Council Arts Coordinator and delivers, facilitates or is a partner in a number of arts-related projects across Worcestershire. Severn Arts continues to project manage the Arches Worcester capital scheme that is funded by DCMS/Arts Council England through the Cultural Development Fund, with completion expected by December 2025. Severn Arts is also managing the Local Voices, Creative Choices programme in Worcester city on behalf of a consortium of eight partners.

The Company is a registered charity with the Charity Commission (charity number 1180335).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objects and Activities**

The Company has widely drawn charitable Objects which focus on education, music and the arts and the promotion of social inclusion.

The Company's objects are:

- The advancement of education, particularly through the promotion of high-quality teaching and learning, including (but not limited to) the subjects of music and the arts.
- The advancement of the arts and culture, particularly (but not limited to) through the promotion and teaching of music and the arts, promotion of accessibility to, and in participation in, the arts, provision of training, support and networking opportunities for aspiring artists, provision of commissions.
- To assist in the treatment and care of persons suffering from mental or physical illness of any description or in need of rehabilitation as a result of such illness, by the provision of services not normally provided by the statutory authorities, including (but not limited to) arts activities, dance and drama programmes for people with learning disabilities and /or terminal illnesses.
- To promote social inclusion by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society.

The Company's current objectives are:

- To deliver, in conjunction with key partners, the work of the Herefordshire & Worcestershire Music Education Hub against the requirements outlined in the National Plan for Music Education.
- To directly provide and create opportunities for music tuition and playing, instrument repair and loan, and associated activities for children and young people in Worcestershire.
- To deliver arts activities as outlined in an Arts Plan currently supported by Worcestershire County Council.
- To project manage The Arches Worcester Cultural Development Fund (CDF) project (capital programme)
- To manage a community arts coordinator and programme on behalf of Malvern Hills District Council.
- To manage the Local Voices Creative Choices programme in Worcester City (2025-27)
- To represent the creative sector as a partner in the Creative People and Places Programme in Redditch.
- To deliver projects which align with our objects as and when we are commissioned to do so

The principal strategies employed to achieve these aims are:

- To present subsidised, affordable whole-class, small group and 1-2-1 music tuition in and out of school, delivered by experienced, high-quality music teachers.
- To provide an extensive orchestra and ensemble offer and performance opportunities.
- To provide an accessible instrument loan service.
- To support and implement arts projects that engage children and young people and communities with creative activity and encourage progression and growth.
- To develop and nurture excellence in music teaching practice and invest in continuous professional development (CPD) and resources that support music teachers to implement an enriched and inspiring curriculum.
- To provide inspiring programmes and opportunities that reflect ambition, involve, and engage young people and the wider community in the creative arts sector and provide platforms for artistic talent to grow and prosper.
- To provide support, training, and development opportunities for creative professionals.
- To employ and develop a dedicated and skilled diverse workforce.

## **Severn Arts**

### **Report of the Trustees for the Year Ended 31st August 2025**

#### **ACHIEVEMENTS AND PERFORMANCE**

##### **Overview**

The focus for the past year has been on sustaining our core music education role and building partnerships as part of our role as the Hub Lead Organisation for Herefordshire and Worcestershire, on bringing in longer-term funding that supports our core purpose and allows for continuation and development of our arts projects and activities. We have supported two more young graduates in paid internships and provided university placement opportunities for other emerging talent. We were instrumental in securing Place Partnership Funding from Arts Council on behalf of Worcester City Council and its partners. We have been present as a committed arts partner across the county and the West Midlands, representing our sector on several Boards and Arts Council groups. We continued to supplement our core income through accessing awards, grants and/or commissions from Paul Hamlyn Foundation, legacy funds, the Elmley Foundation, Heart of England Inclusive Communities Fund, Young Sounds (formerly known as Awards for Young Musicians), Arts Council England, Heart of England Community Foundation, University of Worcester, Worcestershire County Council, Worcester City Council, Malvern Hills District Council and a number of individuals donating directly. Our total income raised from grants and donations in the year was £1.7m (60% of all income compared to 57% in the previous period). We also supported other cultural organisations through mentoring and support, helping them to lever in additional funds.

Our legacy donation in memory of a young musician, Olly Irwin comprising a bursary to support young talent, was supported by Gloucester Music Works in 2025. Another legacy in memory of Stuart Silcock has enabled more disadvantaged students to access our Connect music tuition and development programme in 2024/25 and will continue to do so in the coming years. The Connect programme (formerly known as Furthering Talent) is also partly funded by Young Sounds UK.

The current creative sector funding climate continues to be extremely challenging. However, we continue to be proactive, identifying opportunity when it arises and keeping on trend with the national and regional political landscapes. Severn Arts remains a resilient, well-run organisation with committed staff and Trustees working to our end goal to improve the lives of the people of Worcestershire through creative endeavour and experiences, with a particular focus on children and young people.

##### **Herefordshire & Worcestershire Music Hub (HWMH)**

Severn Arts is the Hub Lead Organisation for the Herefordshire and Worcestershire Music Hub with Encore Enterprises as the commissioned partner delivering in Herefordshire. The HWMH has a joint Oversight Panel which is chaired independently by a member of staff from the University of Worcester.

In 2024-25, the hub overall:

- Actively engaged with 318 (out of 347) schools
- Taught weekly whole class instrumental lessons in 136 schools, reaching 9,150 pupils
- Taught weekly individual or small group instrument lessons to 3,906 pupils
- Offered 38 orchestras, bands and choirs for young people
- Provided CPD sessions attended by 119 schools

##### **Severn Arts led Music Hub Activity**

During 2024-25 Severn Arts delivered a full concert programme involving all the orchestras and bands which rehearse weekly across the county. Concerts took place in Worcester, Malvern, Evesham, Kidderminster, Droitwich, Upton-on-Severn and Bromsgrove, culminating in a showcase Summer Festival in July which took place in a variety of venues and spaces in Worcester City centre. The Summer Festival hosted performances and workshops for all the Severn Arts bands, orchestras and choirs and featured a space curated by a group of young producers which included art activities for families, an art exhibition and band performances. In July 2025 musicians from Worcestershire and Herefordshire went on tour to Spain and performed three concerts in spectacular venues.

Also in July and over two days, the Big Sing took place at Malvern Theatres with 2,300 pupils from schools across Herefordshire and Worcestershire taking part. For the first time the Big Sing was open to students from Key Stage 3 and 4 to join those from Key Stage 2. Our Early Years Festivals took place in nine venues across Worcestershire with over 1,200 reception pupils participating.

We continued to work in partnership with Malvern Cube to deliver their band development and turntablism projects. The Worcestershire Inclusive Choir, run in partnership with Soundabout, met monthly and performed at the Severn Arts Summer Festival, the Worcester Competitive Arts Festival, and in joint events and videos with the Soundabout choir family. Other workshops were delivered by Orchestra Pro Anima, Toscana Strings (funded by Malvern Concert Club), Carducci Quartet and Severn Arts teachers, impacting on over 1,000 young people.

## **Severn Arts**

### **Report of the Trustees for the Year Ended 31st August 2025**

Severn Arts worked in partnership with Young Sounds UK to deliver the Connect programme and is one of 10 ambassador music hubs across the country. The current programme has been extended and runs until March 2028. Aimed at those exhibiting early potential but for whom financial barriers mean that they would not ordinarily be able to continue their musical journey, participants benefit from an enhanced offer due to Young Sounds UK managing the Music Progression Fund, supported by the DfE. In January 2021, 30 young people started their musical journey through this programme. Having grown, the programme now supports 45 young people annually, providing free access to tuition, instruments and group opportunities. During 2024-25, participants took part in a variety of Get Together events including a trip to see Sleeping Beauty, a visit to a recording studio, and a session to produce a soundscape for a short film. Severn Arts also supports young people facing financial barriers through the Music Awards scheme, thanks to generous donations from the Stuart Silcock legacy and others. The second year of the Olly Irwin Award supported one young person to receive the opportunity to record their work in a professional studio.

Severn Arts was successful in a bid to Paul Hamlyn Foundation Teacher Development Fund and has been awarded £165k for a two-year project starting in September 2024. Sing, Speak and Shine is bringing music and performance to eight schools in higher need areas in the Rivers C of E Academy Trust, skilling teachers to improve pupil oracy with non-traditional tools.

Severn Arts continued to provide free access to Charanga; an online music teaching resource for First, Primary, Middle and Special schools in Worcestershire. In addition, we offered free access to Music First for Secondary schools and a subsidised Sparkyard subscription for all schools. Severn Arts has significant relationships with the National Youth Orchestra's Inspire programme, University of Worcester, Malvern Concert Club, Orchestra Pro Anima and Worcester Symphony Orchestra, which resulted in school concerts and workshops.

The Music Box (bus) has been out on the road delivering music technology workshops at schools and events across the county and delivered 50 workshops and impacted on at least 400 unique individual young people during the 2024-25 academic year. Many of the sessions were funded through the Worcestershire County Council supported Social Value programme.

Severn Arts has been involved in several careers fairs and open evenings in schools across the county and has offered six work experience placements to pupils from Worcestershire high schools in the 2024-25 academic year. Schools were supported to deliver the National Curriculum for Music through a year-long Continuous Professional Development (CPD) programme. Bespoke support visits were offered to schools by the Severn Arts Music Leaders and Director of Music education with 44 taking place during the academic year. The HWMH appointed Lead schools for the two counties who meet termly and are also able to offer individual support and CPD.

The CPD programme for all staff and schools delivered sessions on AI, Mental Health, Insights, Safeguarding, Music Technology, Singing, Composing and Charanga. Networking meetings for Primary School Music Leads have continued and meetings for Secondary Music Leads have been introduced and well received.

#### **Arts Development**

The arts programme delivered on behalf of Worcestershire County Council is now overseen by Public Health and aligns with their Health and Well Being Strategy.

The programme delivered a range of projects for young people and the wider community to take part in during the year, as well as working in areas of need as identified by Public Health.

We appointed a new Young Poet Laureate who took up the role in April 2025 and will be in place until March 2026.

We continued to be commissioned by Sutton Croft to provide artists as part of the Holiday, Activity and Food (HAF) Programme in the County, delivering school holiday workshops to nearly 2,500 children and young people in the 2024-25 academic year.

Our annual Young Voices New Visions exhibition at Worcester Cathedral took place in the summer, attracting over 60 participating schools.

We are a partner in Reimagine Redditch, an Arts Council funded initiative to engage more Redditch people in the arts who do not traditionally participate in culture. The Love Woodrow Project concluded; aimed at creating a sense of pride in the community, increasing wellbeing and brightening up the centre of Woodrow with a number of Public Art pieces. From April 2026, Severn Arts will be the lead organisation for this programme, funding having been secured for three further years from April 2026.

In partnership with Malvern Hills District Council, we offered a range of training opportunities for the local creative sector, awarded grants to the community and voluntary sector and continued to organize and deliver Line Up, a new festival of experimental music in Malvern.

We worked with the Youth Justice Centre to commission an artist who worked with young people who use the centre to design two new murals which represent a more positive future.

## **Severn Arts**

### **Report of the Trustees for the Year Ended 31st August 2025**

#### **The Arches Worcester Festivals - Cultural Development Fund programme**

This is a time limited project funded by the Department for Culture Media and Sport (DCMS) and administered by Arts Council England, of which the revenue project finished in March 2023. Severn Arts continues to project manage the programme until the capital works are complete, expected to be January 2026.

We continued to work with Community Festivals, creating a bespoke programme aimed at raising ambition, broadening reach and creating a long-term legacy. Worcester Mela and Worcester Carnival were both successful in securing funding enabling new and diverse programmes of work. Worcester Carnival extended its work on environmentally friendly entries to the event and Worcester Mela completed an 18-month project which explored the stories of migrant communities and the impact they had on Worcester's industrial heritage.

#### **Local Voices, Creative Choices - Place Partnership Project**

Severn Arts was part of a consortium that has been successful in securing Place Partnership funding from ACE for this two-year project and has now gone on to project manage it. This ambitious project started in 2025 and aims to produce a thriving new creative quarter around the Arches, Angel Place and Scala, present inspirational festivals with the input from communities across Worcester, and create a skills and talent development programme for students and emerging artists.

## **FINANCIAL REVIEW**

### **Financial results for the year**

Our main source of earned income comes from tuition and the steady growth in tuition seen since the COVID pandemic tailed off such that the year ended with a 3.5% reduction year-on-year, compared to 6% growth in 2023-24. However, the bulk of this was focused on the start of the year and by the summer term, teaching was comparable to summer 2024. Despite the overall slight reduction in hours delivered, tuition and music education workshop income increased from £944k to £975k (3.3%). This was due to a combination of a 5% increase in charge rates, the shift away from school-bought to parent billed tuition (where equivalent charges are slightly higher to cover card processing costs) and a restructure of whole class tuition charges. Tuition orders for the coming financial year show a return to stronger demand, though this is tempered by our ability to deliver based on teaching capacity and the lack of flexibility in schools concerning the timing of lessons.

The Company continues to receive substantial regular grant income which has remained broadly the same year-on-year when looked at on a net basis. The Department for Education (DfE) Arts Council England provides a core grant for the operation of the Herefordshire & Worcestershire Music Hub. The total value of this was £956k, though £204k of this was passed to Encore for service delivery in Herefordshire (after £15k deduction for management fees and needs analysis costs), and compares to £738,425 in 2023-24 for the former Worcestershire Music Hub. DfE has also provided additional funding towards the costs of the Teachers Pension Scheme (TPS) in recent years. Severn Arts withdrew from the TPS scheme in November 2024, so this funding also ceased with effect from this date. Worcestershire County Council also provided a core grant of £110k (unchanged from 2023-24) to support a post and delivery of the broader arts programme.

Other significant grant income was received from Malvern Hills District Council, Bransford Trust, Bromsgrove & Redditch Network (on behalf of Reimagine Redditch), Young Sounds, Elmley Foundation and Worcester City Council. A number of smaller grants and donations were also received.

The contract with MHDC to provide arts services in the district has been extended again until March 2028 when the new unitary authority is expected to take over. Notice has been received from Worcestershire County Council that the Arts Contract that currently runs until September 2026 will not be renewed after this and that there will be no contract available for the delivery of this service after this date.

Donations and grants over the 12-month period brought in almost £1.7m (£2m in the previous 17-month period). Charitable activities (earned income) contributed over £1.1m (almost £1.5m in the previous 17-month period).

For the full financial year (12 months), the Company's excess Income over Expenditure on Unrestricted funds and before movement between funds was £38,662. (2023-24 (17 months): £95,064). Restricted activities show a surplus before transfers between funds of £251k (2024-25 (17 months): £237k). The combined surplus for the year was £290k (2023-24 (17 months): £332k).

Net Assets of the Company stood at £1.59m (2023-24 £1.3m).

**Severn Arts**  
**Report of the Trustees**  
**for the Year Ended 31st August 2025**

**FINANCIAL REVIEW**

**Reserves policy**

The current funds position of the Charity is set out in note 20 to these accounts. On 31 August 2025 the Charity had accumulated balances of £1,592,172. However not all these balances are held in cash or cash equivalents.

At the year-end, Unrestricted Funds stood at £1,127,136 (2023-24: £1,017,252).

At the year-end, Free reserves (unrestricted funds less fixed assets) amounted to £882,100 (2023-24: £810,388). In order to ensure financial stability and that the Company can continue to meet its charitable objectives, the Trustees have agreed that Free reserves includes a 'designated fund' of £360,000 and 'future plans fund' of £200,000, as detailed below. This leaves a 'general fund' of £322,100.

The Designated Fund of £360,000 will be held in addition to other cash and non-cash funds. This represents identified costs (less the amount that can be raised by liquidating assets) associated with closing the company should the withdrawal of significant grant funding result in the company no longer being able to continue to operate, though this scenario is not thought likely in the foreseeable future.

The Future Plans fund represents specific project expenditure expected in the next three years for development or sustaining Severn Arts charitable objectives.

**Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**Risk management**

The Trustees have assessed the major risks to which the Charity is exposed, those related to the operations and finances of the Charity and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

In deciding on this level of reserves, the Trustees have considered the financial risks that the Charity faces, the certainty of income and the impact on users should the Charity be unable to provide its services.

The major financial risk faced is the withdrawal of grant support from DfE/Arts Council England through the music education grant. Whilst this would have a significant impact, the Trustees expect that there would be forewarning of this that would enable them to plan appropriately. The way that DfE distributes funds as part of the music education grant changed in September 2024 and Severn Arts is now the Hub Lead Organisation for Herefordshire and Worcestershire. Overall funding levels have remained broadly unchanged, albeit distributed slightly differently with Severn Arts having a partnership agreement with Encore to deliver hub services in Herefordshire in return for a share of the hub funding. Should Encore no longer continue as delivery partner in Herefordshire, Severn Arts as the Hub Lead Organisation will be required to make alternative arrangements. A freelance model operates for the bulk of tuition delivery in Herefordshire and this approach could potentially be carried forward by Severn Arts with relative ease in the event that Encore ceased to be a hub partner, leaving other services to be delivered direct by Severn Arts or by a newly engaged partner. Whilst there continues to be no stated long term funding commitment for music hubs, ACE have advised to plan for standstill funding in 2026-27. The government has committed to creating a National Centre for Arts & Music Education from September 2026 that will commission and fund music hubs directly, replacing the current arrangement with ACE.

Worcestershire County Council has advised that the contract to deliver the Arts service will not be renewed from September 2026. This funding (£110k) currently funds a post and arts delivery. In order to continue with a post that supports other ongoing projects, the trustees have agreed to commit reserves where and if needed to support the current role or an alternative one until March 2028.

The Trustees have assessed other significant financial risks and have taken action to ensure the Company is able to respond to fluctuations in income and demand for services such that it is able to successfully deal with any immediate challenges presented.

The Trustees review the reserves policy on a regular basis with reference to trading history and by comparison with forecast projections.



## **Severn Arts**

### **Report of the Trustees for the Year Ended 31st August 2025**

#### **PLANS FOR FUTURE PERIODS**

Severn Arts plans to continue to explore options to diversify business over the next few years and to explore alternative sources of income and offer to expand its reach, to cover some adult work and target disadvantaged groups throughout the county. We are at the start of a refreshed 3-year Business Plan and have a clear strategic direction that aims to mature our offer, seek out appropriate funds that support growth in our areas of established expertise and embed creative projects within our communities. We are committed to a legacy programme to support grass-roots and community support for local festivals and our arts development work is currently sustained through partnerships with our local district authorities, Worcestershire County Council, Public Health and the University of Worcester. However, the end of the long-standing Arts Contract with Worcestershire County Council in September 2026 with seemingly no prospect of renewal will make this harder to sustain. The trustees have responded by committing reserves where necessary to underwrite the cost of maintaining the current or an adjusted role until March 2028 to manage and support existing projects and until a new unitary authority is expected to be created. In the intervening period we will look to secure alternative funds to ensure Worcestershire can continue to access wider arts funding opportunities.

Our current premises lease expires in February 2028 and renewal of the lease will not be possible. Initial enquiries suggest that finding replacement suitable premises is going to be a significant challenge. Funds have been set aside to support this process, together with moving and the likely cost of works that may be required to new premises to make them suitable for our needs.

Despite the challenges, Severn Arts has a solid financial base. We are committed to keeping and supporting our own workforce and to providing opportunities for career progression within the organisation, starting with apprenticeships and internships and creating sustainable roles for the future development of the music education and arts sector. We plan to work with partners to offer more opportunities and ensure Severn Arts shows evidence and impact of its' work to be an inclusive company.

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

##### **Constitution**

The Company is constituted under a Memorandum and Articles of Association dated 18 October 2017 (as amended on 19 March 2019).

##### **Methods of appointment or election of trustees**

The management of the Company is the responsibility of the Trustees who are appointed and co-opted under the terms of the Articles of Association.

All trustees have received training through annual board away days which concentrate upon the role of the board, policy and strategic direction and the evaluation and monitoring of the business plan. The trustees are invited to participate in continuous professional development programmes and are subject to a disclosure and Barring Service review. They adhere to equal opportunity recruitment policies. Four new Trustees were elected last year and one Trustee resigned. A group of Trustees are preparing a succession plan and we aim to recruit relevant new Trustees this year. We have an established Finance Committee and a Music Hub Oversight Panel with three of our trustees as designated members following our successful Bid to be HLO.

One of the trustees is designated as the safeguarding lead to support the Designated Safeguarding Lead staff.

##### **Key management**

Day-to-day management of the charity is delegated to the senior leadership team listed on the reference and admin page.

##### **Public benefit**

The Trustees confirm that they have complied with the duty in Section 4, Charities Act 2011, to have due regard to the guidance issued by the Charity Commission concerning public benefit.

##### **Qualifying third party indemnity provisions**

The Charity's Articles of Association grants the Trustees indemnity, to the extent permitted by Companies Act 2006.

#### **FUNDRAISING**

Our approach to fundraising is to connect with our supporters, both individuals and companies to raise voluntary funds to support our aims and activities. No commercial participators have been used to raise funds, and very few fundraising events have been held to date. We ensure that our fundraising is not overly intrusive or persistent, and does not put members of the public under undue pressure to donate.

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

**Severn Arts**  
**Report of the Trustees**  
**for the Year Ended 31st August 2025**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued**

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 04/03/26 and signed on its behalf by:

  
.....  
C M Shiels - Trustee

## **Report of the Independent Auditors to the Members of Severn Arts**

### **Opinion**

We have audited the financial statements of Severn Arts (the 'charitable company') for the year ended 31st August 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2025 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

Our responsibilities and the responsibilities of the 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.

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

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

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

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

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

## **Report of the Independent Auditors to the Members of Severn Arts**

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- Inquired of management, and those charged with governance, about their own identification and assessment of the risks and irregularities, including known actual, suspected or alleged instances of fraud; and
- Discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are 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', the Companies Act 2006 (and related legislation), the Charities Act 2011 (and related legislation)), and laws and regulations relating to the employment and payment of staff including, but not limited to, the Employment Rights Act 1996, the National Minimum Wage Act 1998 and the Pensions Act 2008.

We performed audit procedures to detect non-compliances which may have a material impact on the financial statements, which included reviewing the financial statement disclosures. This includes sample testing of monthly payroll records for the calculation of gross wages, payroll taxes and pension costs.

We identified the areas of the financial statements most susceptible to fraud to be management's judgement in allocating expenditure to individual restricted and unrestricted funds, including the allocation of wage costs and general staff overheads. Audit procedures performed included, but were not limited to, reviewing managements reasoning and workings behind these allocations of expenditure.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**Report of the Independent Auditors to the Members of  
Severn Arts**

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Melissa Jean Godwin ACA ACCA (Senior Statutory Auditor)  
for and on behalf of Richards Sandy Audit Services Limited  
(Statutory Auditor)  
Thorneloe House  
25 Barbourne Road  
Worcester  
WR1 1RU

Date: 13-03-26 .....

## Severn Arts

### Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the Year Ended 31st August 2025

				Year Ended 31.8.25 Total funds £	Period 1.4.23 to 31.8.24 Total funds £
	Notes	Unrestricted funds £	Restricted funds £		
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	4	167,190	1,524,217	1,691,407	1,986,306
<b>Charitable activities</b>	6				
Music education		1,114,924	-	1,114,924	1,383,575
Arts development		4,290	-	4,290	58,631
Festivals		-	-	-	8,950
Investment income	5	16,319	-	16,319	20,465
<b>Total</b>		<u>1,302,723</u>	<u>1,524,217</u>	<u>2,826,940</u>	<u>3,457,927</u>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	7				
Music education		1,206,850	1,135,472	2,342,322	2,726,502
Arts development		57,211	137,271	194,482	218,401
Festivals		-	-	-	180,681
<b>Total</b>		<u>1,264,061</u>	<u>1,272,743</u>	<u>2,536,804</u>	<u>3,125,584</u>
<b>NET INCOME</b>		38,662	251,474	290,136	332,343
Transfers between funds	20	71,222	(71,222)	-	-
<b>Net movement in funds</b>		109,884	180,252	290,136	332,343
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		1,017,252	284,784	1,302,036	969,693
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>1,127,136</u>	<u>465,036</u>	<u>1,592,172</u>	<u>1,302,036</u>

The notes form part of these financial statements

**Severn Arts**

**Balance Sheet  
31st August 2025**

	Notes	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	15	245,036	-	245,036	208,184
<b>CURRENT ASSETS</b>					
Debtors: amounts falling due within one year	16	307,635	337,556	645,191	494,277
Cash at bank and in hand		<u>698,645</u>	<u>321,864</u>	<u>1,020,509</u>	<u>1,013,909</u>
		1,006,280	659,420	1,665,700	1,508,186
<b>CREDITORS</b>					
Amounts falling due within one year	17	(124,180)	(83,909)	(208,089)	(248,621)
<b>NET CURRENT ASSETS</b>		<u>882,100</u>	<u>575,511</u>	<u>1,457,611</u>	<u>1,259,565</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,127,136	575,511	1,702,647	1,467,749
<b>CREDITORS</b>					
Amounts falling due after more than one year	18	-	(110,475)	(110,475)	(165,713)
<b>NET ASSETS</b>		<u>1,127,136</u>	<u>465,036</u>	<u>1,592,172</u>	<u>1,302,036</u>
<b>FUNDS</b>	20				
Unrestricted funds				1,127,136	1,017,252
Restricted funds				<u>465,036</u>	<u>284,784</u>
<b>TOTAL FUNDS</b>				<u>1,592,172</u>	<u>1,302,036</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 04/03/26 and were signed on its behalf by:

  
C M Shiels - Trustee

The notes form part of these financial statements

**Severn Arts**

**Cash Flow Statement  
for the Year Ended 31st August 2025**

		<b>Year Ended 31.8.25 £</b>	<b>Period 1.4.23 to 31.8.24 £</b>
	<b>Notes</b>		
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>61,064</u>	<u>111,027</u>
Net cash provided by operating activities		<u>61,064</u>	<u>111,027</u>
 <b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(72,795)</u>	<u>(1,929)</u>
Sale of tangible fixed assets		<u>2,012</u>	<u>103</u>
Interest received		<u>16,319</u>	<u>20,465</u>
Net cash (used in)/provided by investing activities		<u>(54,464)</u>	<u>18,639</u>
 <b>Change in cash and cash equivalents in the reporting period</b>		 <u>6,600</u>	 <u>129,666</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>1,013,909</u>	<u>884,243</u>
 <b>Cash and cash equivalents at the end of the reporting period</b>		 <u><u>1,020,509</u></u>	 <u><u>1,013,909</u></u>

The notes form part of these financial statements



**Severn Arts**

**Notes to the Cash Flow Statement  
for the Year Ended 31st August 2025**

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

	<b>Year Ended 31.8.25 £</b>	<b>Period 1.4.23 to 31.8.24 £</b>
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	<b>290,136</b>	<b>332,343</b>
<b>Adjustments for:</b>		
Depreciation charges	<b>33,235</b>	50,609
Loss on disposal of fixed assets	<b>696</b>	310
Interest received	<b>(16,319)</b>	(20,465)
Increase in debtors	<b>(150,914)</b>	(116,294)
Decrease in creditors	<b>(95,770)</b>	(135,476)
<b>Net cash provided by operations</b>	<b><u>61,064</u></b>	<b><u>111,027</u></b>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	<b>At 1.9.24 £</b>	<b>Cash flow £</b>	<b>At 31.8.25 £</b>
<b>Net cash</b>			
Cash at bank and in hand	<b><u>1,013,909</u></b>	<b><u>6,600</u></b>	<b><u>1,020,509</u></b>
	<b><u>1,013,909</u></b>	<b><u>6,600</u></b>	<b><u>1,020,509</u></b>
<b>Total</b>	<b><u>1,013,909</u></b>	<b><u>6,600</u></b>	<b><u>1,020,509</u></b>

## **Severn Arts**

### **Notes to the Financial Statements for the Year Ended 31st August 2025**

#### **1. GENERAL INFORMATION**

Severn Arts is a private company, limited by guarantee, incorporated in the UK and registered in England and Wales.

The principal activity of Severn Arts is set out in the Trustees Report.

The registered office and principal operating office of Severn Arts is Suite 11, Malvern Gate, Bromwich Road, Worcester, WR2 4BN.

#### **2. ACCOUNTING POLICIES**

##### **BASIS OF PREPARING THE FINANCIAL STATEMENTS**

The financial statements of the charitable company, 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 Companies Act 2006, except in regard to the treatment of the LGPS as if it was a defined contribution pension scheme rather than if it was a defined benefit pension scheme, which is a departure from the requirement of FRS 102, on the basis that accounting for the LGPS as a defined benefit pension scheme is inconsistent with the requirements to give a true and fair view (see the accounting policy for pension costs for more details).

The financial statements have been prepared under the historical cost convention.

The accounts are presented in GBP and are rounded to the nearest £1.

##### **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.

Donation and grant income is recognised when the charity has been notified of the amounts. If there are performance conditions attached to the donation before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charitable company and it is probable that they will be fulfilled.

Income from the supply of services (including income from charitable activities) represents the value of services provided to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

Interest income is recognised for all interest-bearing financial instruments using the effective interest rate method.

##### **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 as detailed below.

Charitable activity costs are those costs that relate directly to specific activities within the organisation.

Supports costs include the running costs of the charity and have been attributed to direct costs of charitable activities as follows:

- Support costs that can be directly attributed to a particular activity have been categorised as such in the financial statements.
- Any residual costs have been allocated between activities in line with the value of support costs agreed in advance by funders, multiplied by the percentage of total support costs in each heading.

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2025

2. ACCOUNTING POLICIES - continued

**TANGIBLE FIXED ASSETS**

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible asset into its intended working condition should be included in the measurement of cost.

A review for impairment of fixed assets is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets costing £500 or more are capitalised.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

- Motor vehicles - 5 years straight line
- Fixtures & fittings - 10 years straight line
- Office equipment - 5 years straight line
- Computer equipment - 5 years straight line
- Instruments:
  - Low value/ low life expectancy: Over 4 years. This applies to instruments such as recorders, fifes, doodles, ukuleles and other similar low value items.
  - Brass: Instruments have a longer life in schools. Assuming 50% at 10 years down to 20% at 20 years.
  - Woodwind: Instruments have a longer life in schools. Assuming 50% at 10 years down to 20% at 20 years.
  - Upper strings: Instruments have a longer life in schools, however are of much lower initial value than brass/ woodwind which makes them less saleable over time. Assume 30% at year 10 and 0% at years.
  - Lower Strings: Instruments have a longer life in schools. Assuming 50% at 10 years, down to 20% at 20 years.
  - Tuned Percussion: Includes some higher value instruments which are not hired out and so wear and tear is less (tend to be used centrally). E.g. Timpani, Marimba, Xylophone, Vibraphone, Keyboard instruments. Assumed slower depreciation - 60% of original value at year 10 and 30% at year 20.
  - Untuned Percussion: Includes lower cost instruments such as cymbals, drums, djembes. Usually higher wear and tear for small percussion. Some, such as djembe are hired to schools in sets and are often not repairable. Assumed 20% value at year 10.
  - High Value: Includes instruments rarely hired out, used centrally only or if exceptional value (eg. Harp, Contrabassoon etc). Instruments are kept in excellent serviced condition and still retain considerable value after 20 years (assumed 50%).
  - Miscellaneous: This assumed straight line depreciation to 10% after 10 years and covers non standard items eg Drum Kit, Early Years percussion, Samba, Folk.

**TAXATION**

The charity is exempt from corporation 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.

**FINANCIAL INSTRUMENTS**

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

Financial instruments are recognised when the company becomes party to contractual provisions of the instrument.

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

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2025

2. ACCOUNTING POLICIES - continued

**FINANCIAL INSTRUMENTS**

**Basic Financial Assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

**Basic Financial Liabilities**

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future receipts, discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of the operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction cost.

**OPERATING LEASES**

Rents payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**PENSION COSTS**

Retirement benefits to employees of the charity are provided by either the Local Government Pension ('LGPS'), or a private defined contribution scheme. Some employees were part of the Teachers Pension Scheme ('TPS') up until November 2024 when the scheme was closed and affected employees transferred to the private defined contribution scheme.

The TPS is an unfunded defined benefit scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the charity in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The Local Government Pension Scheme (LGPS) is a funded multi-employer defined benefit scheme and the assets are held separately from those of the charity in separate trustee administered funds. Whilst it would be possible to obtain an actuarial valuation of the charity's share of the LGPS to which the charity belongs, the trustees of the charity believe that to account for the LGPS as a defined benefit pension scheme, rather than as a defined contribution scheme, would be inconsistent with the requirement to give a true and fair view. This is because the trustees do not consider their annual contributions relating to settling their share of the LGPS's current forecast surplus to be material to the accounts of the charity (based on the information provided within the most recent triennial actuarial valuation of the relevant LGPS) and also due to the very low number of members of the LGPS allocated to the charity (including both current and past staff of the charity) compared to the overall number of members of the relevant LGPS, it is considered probable that the actuarial valuation of the charity's share of the surplus would be disproportionately effected by any significant uncertainty in assumptions or errors compared to other scheme employers. In addition, the minority of employees of the charity that belong to the relevant LGPS include members of the senior management team and accounting for the LGPS as a defined benefit scheme would likely cause adjustments to disclosures concerning the remuneration paid to key management personnel in such a way that is not likely to be accurately determined on an individual employee basis and would likely be less comparable year on year due to changes in actuarial assumptions applied each year to the valuation of the relevant LGPS. The trustees therefore believe that accounting for their payments to the LGPS as a defined contribution scheme better reflects the actual financial impact to the charity.

Where the charity has entered into an agreement with the relevant LGPS that determines how the charity will fund a deficit, the charity recognises at that point a liability for the contributions payable that arises from the agreement (to the extent that they both relate to the deficit and can be reliably measured) and the resulting expense is recognised within the Statement of Financial Activities.

Contributions payable to the defined contribution pension scheme are charged to profit or loss in the period to which they relate.

## Severn Arts

### Notes to the Financial Statements - continued for the Year Ended 31st August 2025

#### 3. 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 areas of judgements

Judgement is applied in setting the depreciation rates for tangible fixed assets. Details to these rates can be found in the accounting policies in note 2. The carrying value of tangible fixed assets can be found in note 15.

The Local Government Pension Scheme is a funded multi-employer defined benefit scheme and the assets are held separately from those of the company in separate trustee administered funds. There is deemed to be insufficient information available without incurring costs deemed to outweigh the benefit to users of the accounts to apply defined benefit accounting of the Local Government Pension Scheme, and what information is available indicates that the charity's share of the net surplus of the Local Government Pension Scheme is not likely be material to the financial statements. The Local Government Pension Scheme is therefore accounted for as if it was a defined contribution plan, with contributions payable to the Local Government Pension Scheme charged to profit or loss in the period to which they relate. Further detail can be found in note 21.

Support costs have been allocated between unrestricted and restricted funds and between the activities where they have been identified as directly attributable costs. Any residual costs have been allocated between activities in line with the value of support costs agreed in advance by funders, multiplied by the percentage of total support costs in each heading.

#### 4. DONATIONS AND LEGACIES

			Year Ended 31.8.25	Period 1.4.23 to 31.8.24
	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Donations	1,036	13,197	14,233	15,768
Grants	135,532	1,511,020	1,646,552	1,945,959
Orchestra tax relief	30,622	-	30,622	24,579
	<u>167,190</u>	<u>1,524,217</u>	<u>1,691,407</u>	<u>1,986,306</u>

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

	Year Ended 31.8.25	Period 1.4.23 to 31.8.24
	£	£
Arts Council England	1,285,293	1,241,644
Young Sounds UK (formerly Awards for Young Musicians)	24,849	33,196
Bransford Trust	10,000	-
Bromsgrove and Redditch Network	18,800	-
Elmley Foundation	15,000	10,000
Heart of England Community Foundation	-	68,942
Malvern Hills District Council	45,425	97,747
Paul Hamlyn Foundation	161	165,000
Worcester City Council	74,138	60,582
Worcestershire County Council	150,880	242,023
University Of Worcester	-	2,000
Sundry small local council grants (less than £10,000 each)	2,400	6,900
Sundry small charitable trust grants (less than £10,000 each)	19,606	17,925
	<u>1,646,552</u>	<u>1,945,959</u>

**Severn Arts**

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2025**

**5. INVESTMENT INCOME**

	Unrestricted funds £	Restricted funds £	Year Ended 31.8.25 Total funds £	Period 1.4.23 to 31.8.24 Total funds £
Bank interest	<u>16,319</u>	<u>-</u>	<u>16,319</u>	<u>20,465</u>

**6. INCOME FROM CHARITABLE ACTIVITIES**

	Music education £	Arts development £	Year Ended 31.8.25 Total activities £	Period 1.4.23 to 31.8.24 Total activities £
Holiday Activities and Food (HAF)				
Programme	32,907	-	32,907	58,631
CPD income	1,132	-	1,132	1,405
Event income	9,263	4,290	13,553	15,115
Project income	-	-	-	34,920
Resources	41,060	-	41,060	58,182
Tuition	979,661	-	979,661	1,244,369
Subscriptions	13,130	-	13,130	12,740
Concerts	4,615	-	4,615	4,465
Miscellaneous income	<u>33,156</u>	<u>-</u>	<u>33,156</u>	<u>21,329</u>
	<u>1,114,924</u>	<u>4,290</u>	<u>1,119,214</u>	<u>1,451,156</u>

**7. CHARITABLE ACTIVITIES COSTS**

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Music education	2,013,972	328,350	2,342,322
Arts development	<u>194,482</u>	<u>-</u>	<u>194,482</u>
	<u>2,208,454</u>	<u>328,350</u>	<u>2,536,804</u>

**8. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	Year Ended 31.8.25 £	Period 1.4.23 to 31.8.24 £
Staff costs	1,565,868	2,137,974
Instrument consumables	2,195	4,032
Workshop expenditure	1,080	513
External funding and bursary	-	1,511
Project costs	582,326	529,241
Subcontracted staff costs	12,549	24,195
Music tours & trips	<u>44,436</u>	<u>-</u>
	<u>2,208,454</u>	<u>2,697,466</u>

## Severn Arts

### Notes to the Financial Statements - continued for the Year Ended 31st August 2025

#### 9. SUPPORT COSTS

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

	Year Ended 31.8.25 Total activities £	Period 1.4.23 to 31.8.24 Total activities £
Rates and water	-	(6,451)
Insurance	19,337	22,735
Light and heat	7,017	16,278
Telephone	4,621	10,413
Advertising	16,812	25,007
Sundries	2,436	1,301
Service charges	16,511	23,391
Rent	38,400	54,400
Travel expenses	71,167	97,729
IT expenses	25,454	36,800
Legal and professional	5,157	11,301
Accountancy and payroll	17,393	17,023
Conference costs	2,000	2,737
Subscriptions	4,775	4,253
Board costs	2,484	2,704
Premises costs	11,240	12,674
CPD costs	5,835	8,831
Venue hire	1,542	5,398
Safeguarding costs	3,424	2,774
Consultancy fees	24,530	15,138
Postage and stationary	758	2,048
Depreciation	33,235	50,609
Profit on sale of tangible fixed assets	696	310
Bank charges	5,636	5,215
Auditors' remuneration	7,890	5,500
	<u>328,350</u>	<u>428,118</u>

#### 10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	Year Ended 31.8.25 £	Period 1.4.23 to 31.8.24 £
Depreciation - owned assets	33,235	50,609
Deficit on disposal of fixed assets	696	310
Rent paid under operating leases	<u>38,400</u>	<u>54,400</u>

**Severn Arts**

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2025**

**11. AUDITORS' REMUNERATION**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Audit remuneration	<b>7,890</b>	5,500
Other assurance services	<b>2,640</b>	3,780
Other services	<b>7,194</b>	3,818
	<b><u>17,724</u></b>	<b><u>13,098</u></b>

**12. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st August 2025 nor for the period ended 31st August 2024.

**TRUSTEES' EXPENSES**

£769 was reimbursed for directly incurred travel expenses to two trustees (2024: £427 - one trustee).

**13. STAFF COSTS**

	<b>Year Ended 31.8.25</b>	<b>Period 1.4.23 to 31.8.24</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>1,343,220</b>	1,715,389
Social security costs	<b>108,046</b>	120,882
Other pension costs	<b>114,602</b>	301,703
	<b><u>1,565,868</u></b>	<b><u>2,137,974</u></b>

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

	<b>Year Ended 31.8.25</b>	<b>Period 1.4.23 to 31.8.24</b>
Average number of employees	<b><u>88</u></b>	<b><u>76</u></b>

The number of employees whose employee benefits (excluding employer pension and employer N.I. costs) exceeded £60,000 based on annual salary was:

	<b>2025</b>	<b>2024</b>
£60,001 - £70,000	<b><u>1</u></b>	<b><u>1</u></b>

**Key management personnel remunerations**

During the year total remuneration, including employer pension and national insurance costs, paid to key management personnel totalled £266,750 for 4 employees (2024: £406,762 for 5 employees over a 17 month period).



**Severn Arts**

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2025**

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

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	286,210	1,700,096	1,986,306
<b>Charitable activities</b>			
Music education	1,383,575	-	1,383,575
Arts development	58,631	-	58,631
Festivals	1,650	7,300	8,950
Investment income	20,465	-	20,465
<b>Total</b>	<u>1,750,531</u>	<u>1,707,396</u>	<u>3,457,927</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Music education	1,477,054	1,249,448	2,726,502
Arts development	195,101	23,300	218,401
Festivals	(16,688)	197,369	180,681
<b>Total</b>	<u>1,655,467</u>	<u>1,470,117</u>	<u>3,125,584</u>
<b>NET INCOME</b>	95,064	237,279	332,343
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	922,188	47,505	969,693
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>1,017,252</u>	<u>284,784</u>	<u>1,302,036</u>

**15. TANGIBLE FIXED ASSETS**

	Instruments £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1st September 2024	503,603	77,424	10,100	46,329	637,456
Additions	71,222	-	-	1,573	72,795
Disposals	(13,741)	-	-	-	(13,741)
At 31st August 2025	<u>561,084</u>	<u>77,424</u>	<u>10,100</u>	<u>47,902</u>	<u>696,510</u>
<b>DEPRECIATION</b>					
At 1st September 2024	330,653	48,250	8,780	41,589	429,272
Charge for year	20,463	7,743	1,320	3,709	33,235
Eliminated on disposal	(11,033)	-	-	-	(11,033)
At 31st August 2025	<u>340,083</u>	<u>55,993</u>	<u>10,100</u>	<u>45,298</u>	<u>451,474</u>
<b>NET BOOK VALUE</b>					
At 31st August 2025	<u>221,001</u>	<u>21,431</u>	<u>-</u>	<u>2,604</u>	<u>245,036</u>
At 31st August 2024	<u>172,950</u>	<u>29,174</u>	<u>1,320</u>	<u>4,740</u>	<u>208,184</u>

**Severn Arts**

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2025**

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

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>385,642</b>	297,682
Other debtors	-	1,802
Prepayments and accrued income	<b><u>259,549</u></b>	<u>194,793</u>
	<b><u>645,191</u></b>	<u>494,277</u>

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

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>47,787</b>	43,014
Social security and other taxes	<b>28,527</b>	22,464
Other creditors	<b>14,996</b>	31,952
Accruals	<b>11,338</b>	9,000
Deferred income	<b><u>105,441</u></b>	<u>142,191</u>
	<b><u>208,089</u></b>	<u>248,621</u>

**Deferred income**

Deferred income costs of:

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Worcestershire County Council social value project	165,713	220,951
Music tuition and related service fees relating to future periods	-	85,703
Service contract grant income allocated to future periods	<u>-</u>	<u>1,250</u>
	<b><u>165,713</u></b>	<u>307,904</u>

Split between:

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Amounts due within one year	55,238	142,191
Amounts due after more than one year	<u>110,475</u>	<u>165,713</u>
	<b><u>165,713</u></b>	<u>307,904</u>

Worcestershire County Council social value project is a 5 year grant received in advance (following the waiving of a loan due from Worcestershire County Council). Grant income relating to future year allocations have been deferred on the basis that the charity is unable to apply current year expenditure against future year allocations.

All other deferred income as at 31 August 2024 was released to income within the current financial period.

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

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Deferred income	<b><u>110,475</u></b>	<u>165,713</u>

Details of deferred income can be found in note 17.

**Severn Arts**

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2025**

**19. LEASING AGREEMENTS**

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

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Within one year	<b>38,400</b>	<b>38,400</b>
Between one and five years	<b>56,706</b>	<b>19,200</b>
	<b><u>95,106</u></b>	<b><u>57,600</u></b>

The premises lease agreement is committed to 21 February 2028.

**20. MOVEMENT IN FUNDS**

	At 1.9.24 £	Net movement in funds £	Transfers between funds £	At 31.8.25 £
<b>Unrestricted funds</b>				
General fund	650,832	22,128	(188,778)	484,182
Designated Funds	300,000	-	60,000	360,000
Arts	66,420	16,534	-	82,954
Future Plans fund	-	-	200,000	200,000
	<b>1,017,252</b>	<b>38,662</b>	<b>71,222</b>	<b>1,127,136</b>
<b>Restricted funds</b>				
Arts Council England Capital Fund	-	314,093	(71,222)	242,871
Bursary Fund	17,063	2,049	-	19,112
COMF Enhanced Youth Support	5,665	(5,665)	-	-
First Great Western	-	9,770	-	9,770
Furthering Talent	156	(156)	-	-
Lead Artist Commission, Art Gallery & Museum	-	2,484	-	2,484
Love Woodrow project	52,862	(52,862)	-	-
Music Box Fund	1,321	(1,321)	-	-
Paul Hamlyn Foundation	162,300	(82,749)	-	79,551
Place Partnership Project	-	41,935	-	41,935
Storytelling	-	12,500	-	12,500
Stuart Silcock Music Award Scheme	-	10,173	-	10,173
Worcestershire County Council social value project	45,417	(4,115)	-	41,302
Sundry Restricted Donations	-	5,338	-	5,338
	<b>284,784</b>	<b>251,474</b>	<b>(71,222)</b>	<b>465,036</b>
<b>TOTAL FUNDS</b>	<b><u>1,302,036</u></b>	<b><u>290,136</u></b>	<b><u>-</u></b>	<b><u>1,592,172</u></b>

**Severn Arts**

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2025**

**20. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,191,323	(1,169,195)	22,128
Arts	<u>111,400</u>	<u>(94,866)</u>	<u>16,534</u>
	1,302,723	(1,264,061)	38,662
<b>Restricted funds</b>			
Music Education Grant	956,168	(956,168)	-
Arts Council England Capital Fund	314,093	-	314,093
Bursary Fund	2,049	-	2,049
COMF Enhanced Youth Support	-	(5,665)	(5,665)
Festival Fund	2,000	(2,000)	-
First Great Western	9,770	-	9,770
Furthering Talent	-	(156)	(156)
Lead Artist Commission, Art Gallery & Museum	6,500	(4,016)	2,484
Love Woodrow project	10,000	(62,862)	(52,862)
Malvern Hills District Council District Arts Co-ordinator	20,000	(20,000)	-
Music Box Fund	-	(1,321)	(1,321)
Paul Hamlyn Foundation	161	(82,910)	(82,749)
Place Partnership Project	68,871	(26,936)	41,935
Soundscape Young Person's Festival	5,625	(5,625)	-
Storytelling	16,200	(3,700)	12,500
Stuart Silcock Music Award Scheme	11,148	(975)	10,173
Worcestershire County Council social value project	55,238	(59,353)	(4,115)
Young Sounds UK	24,848	(24,848)	-
Sundry Restricted Donations	<u>21,546</u>	<u>(16,208)</u>	<u>5,338</u>
	<u>1,524,217</u>	<u>(1,272,743)</u>	<u>251,474</u>
<b>TOTAL FUNDS</b>	<u><u>2,826,940</u></u>	<u><u>(2,536,804)</u></u>	<u><u>290,136</u></u>

**Severn Arts**

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2025**

**20. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

	At 1.4.23 £	Net movement in funds £	At 31.8.24 £
<b>Unrestricted funds</b>			
General fund	569,935	80,897	650,832
Designated Funds	300,000	-	300,000
Arts	<u>52,253</u>	<u>14,167</u>	<u>66,420</u>
	922,188	95,064	1,017,252
<b>Restricted funds</b>			
Cultural Development Fund	7,225	(7,225)	-
Bursary Fund	16,514	549	17,063
COMF Enhanced Youth Support	-	5,665	5,665
Cultural Educational Programme	7,220	(7,220)	-
Furthering Talent	13,146	(12,990)	156
Love Woodrow project	-	52,862	52,862
Music Box Fund	3,190	(1,869)	1,321
Paul Hamlyn Foundation	-	162,300	162,300
Worcestershire County Council social value project	-	45,417	45,417
Sundry Restricted Donations	<u>210</u>	<u>(210)</u>	<u>-</u>
	<u>47,505</u>	<u>237,279</u>	<u>284,784</u>
<b>TOTAL FUNDS</b>	<u>969,693</u>	<u>332,343</u>	<u>1,302,036</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	1,484,891	(1,403,994)	80,897
Arts	<u>265,640</u>	<u>(251,473)</u>	<u>14,167</u>
	1,750,531	(1,655,467)	95,064
<b>Restricted funds</b>			
Music Education Grant	1,046,102	(1,046,102)	-
Cultural Development Fund	17,956	(25,181)	(7,225)
Arts Activity	42,206	(42,206)	-
Arts Council England Pension Fund	96,181	(96,181)	-
Bursary Fund	2,549	(2,000)	549
COMF Enhanced Youth Support	5,665	-	5,665
Cultural Educational Programme	-	(7,220)	(7,220)
Festival Fund	172,188	(172,188)	-
Furthering Talent	33,945	(46,935)	(12,990)
Love Woodrow project	68,942	(16,080)	52,862
Music Box Fund	1,424	(3,293)	(1,869)
Paul Hamlyn Foundation	165,000	(2,700)	162,300
Worcestershire County Council social value project	55,238	(9,821)	45,417
Sundry Restricted Donations	<u>-</u>	<u>(210)</u>	<u>(210)</u>
	<u>1,707,396</u>	<u>(1,470,117)</u>	<u>237,279</u>
<b>TOTAL FUNDS</b>	<u>3,457,927</u>	<u>(3,125,584)</u>	<u>332,343</u>

## Severn Arts

### Notes to the Financial Statements - continued for the Year Ended 31st August 2025

#### 20. MOVEMENT IN FUNDS - continued

##### Unrestricted funds

###### - Designated Funds

A cash reserve has been designated by the trustees which represents identified costs (less the amount that can be raised by liquidating assets) associated with closing the company, though this scenario is not thought likely in the foreseeable future.

###### - Arts Activity (designated)

Funding to support cultural activity and support artists across Worcestershire.

###### - Future Plans fund (designated)

A cash reserve has been designated by the trustees which represents specific project expenditure expected in the next three years for development or sustaining Severn Arts charitable objectives.

##### Restricted Funds

###### - Music Education Grant

DfE Grant allocated by Arts Council of England. Delivers core and extension roles for Music Education as set out in the National Plan for Music Education.

###### - Arts Council England Capital Fund

Grant to fund the purchase of eligible instruments, equipment, and technology for the benefit of the Music Hub.

###### - Cultural Development Fund

Grant to fund festivals element of Worcester Railway Arches Project 2019-22 (project delivered between Worcester City Council, University of Worcester and Severn Arts).

###### - Arts Activity (restricted)

Funding to support cultural activity and support artists across Worcestershire.

###### - Arts Council England Pension Fund

Grant received from Arts Council England to fund increased Teacher Pension Scheme employer contributions.

###### - Bursary Funds

A bursary fund started in 2019 for musical opportunities for Worcestershire children and young people.

###### - COMF Enhanced Youth Support

A photography and film project exploring the impact of Covid on young people in rural communities.

###### - Cultural Education Programme

Arts Connect funding to develop the infrastructure of the Cultural Education Partnership (a network of organisations promoting arts and culture to young people).

###### - Festival Fund

Relates to various grants, donations and other funding for the Light Night festival.

###### - First Great Western

Funding towards a community project that creates a mural celebrating rail.

###### - Furthering Talent

Fund to support talented young musicians from disadvantaged backgrounds to further their music progression.

###### - Lead Artist Commission, Art Gallery & Museum

Funding towards a museum commission.

###### - Love Woodrow

Grant from Heart of England Community Foundation to undertake a Woodrow public art project.

###### - Malvern Hills District Council District Arts Co-ordinator

Funding towards the Community Arts Co-ordinator role.

## Severn Arts

### Notes to the Financial Statements - continued for the Year Ended 31st August 2025

#### 20. MOVEMENT IN FUNDS - continued

- **Music Box Fund**  
To support and develop the delivery of Music Box music sessions.
- **Paul Hamlyn Foundation**  
Paul Hamlyn Foundation has awarded the charity a grant of £165,000 to support "Sing, Speak and Shine" project undertaken by the charity. This project is expected to run from April 2024 to July 2026 with delivery from September 2024. The charity plan to use this money to fund direct project delivery costs and a project manager staff position.
- **Place Partnership Project**  
Funding towards the Local Voices, Creative Choices project, including the Bridges of Light festival. The project is expected to run to March 2028.
- **Soundscape Young Person's Festival**  
Funding towards the Soundscape festival held for 10-18 year olds.
- **Storytelling**  
Funding from Malvern Hills District Council towards various community projects.
- **Stuart Silcock Music Award Scheme**  
Funding from Malvern Hills District Council towards various community projects.
- **Worcestershire County Council Social Value Project**  
Grant from Worcestershire County Council to fund a series of agreed upon activities, including financing music box activities, provide apprenticeships to local individuals and provide assistance to local festivals.
- **Young Sounds UK**  
Grant to support students from disadvantaged backgrounds to provide tuition and further their music progression. This project is expected to run from September 2024 to August 2028.
- **Sundry Donations Received**  
Small donations received for a specific purpose in the year, including a variety of small festivals and events.

#### TRANSFERS BETWEEN FUNDS

During the year the following amounts were transferred to the general unrestricted fund representing the value of fixed assets purchased using restricted funds:

	£
Arts Council England Capital Fund	<u>71,222</u>
	<u><u>71,222</u></u>

During the year the following amounts were transferred from the general unrestricted fund to the following designated funds in order to reflect the provision as at 31 August 2025:

	£
Designated Funds	60,000
Future Plans fund	<u>200,000</u>
	<u><u>260,000</u></u>

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2025**

**21. EMPLOYEE BENEFIT OBLIGATIONS**

The charity's employees belonged to three principal pension schemes in the year: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Worcestershire Pension Fund. Both are multi-employer defined benefit schemes.

The charity withdrew active membership of the TPS for all staff in November 2024, replacing this scheme with a defined contribution scheme.

The latest actuarial valuation of the LGPS relates to the period ended 31 March 2022. A new valuation is due for the period 31 March 2026.

Included in creditors at the year end were pension creditors of £14,279 (2024: £29,747).

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014.

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

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies 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 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2027.

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 an unfunded multi-employer pension scheme. The charity is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the charity has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The employer's pension costs paid to TPS in the period amounted to £34,348 (2024: £258,386).

The charity exited the TPS in November 2024 and no longer makes pension contributions to the TPS.

**Local Government Pension Scheme**

The LGPS is a funded multi-employer defined benefit pension scheme, with the assets held in separate trustee administered funds.

The expected contribution rates for future years for employers is as follows:

- 24.2% to March 2026 (currently 24.2%), with employees paying variable rates depending on their level of gross wages received each month.
- 24.7% from April 2026 for the next 3 years, these are expected to be reduced to 0% due to the scheme being in a surplus position.

The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme.



**Severn Arts**

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2025**

**21. EMPLOYEE BENEFIT OBLIGATIONS - continued**

The employer's pension costs paid to LGPS in the period amounted to £38,598 (2024: £52,090).

**Defined contribution scheme**

The employer's pension costs paid to the defined contribution scheme in the period amounted to £41,653 (2024: £9,355).

**22. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31st August 2025.

## Severn Arts

### Detailed Statement of Financial Activities for the Year Ended 31st August 2025

			Year Ended 31.8.25 Total funds £	Period 1.4.23 to 31.8.24 Total funds £
	Unrestricted funds £	Restricted funds £		
<b>INCOME AND ENDOWMENTS</b>				
<b>Donations and legacies</b>				
Donations	1,036	13,197	14,233	15,768
Grants	135,532	1,511,020	1,646,552	1,945,959
Orchestra tax relief	30,622	-	30,622	24,579
	<b>167,190</b>	<b>1,524,217</b>	<b>1,691,407</b>	<b>1,986,306</b>
<b>Investment income</b>				
Bank interest	16,319	-	16,319	20,465
<b>Charitable activities</b>				
Holiday Activities and Food (HAF) Programme	32,907	-	32,907	58,631
CPD income	1,132	-	1,132	1,405
Event income	13,553	-	13,553	15,115
Project income	-	-	-	34,920
Resources	41,060	-	41,060	58,182
Tuition	979,661	-	979,661	1,244,369
Subscriptions	13,130	-	13,130	12,740
Concerts	4,615	-	4,615	4,465
Miscellaneous income	33,156	-	33,156	21,329
	<b>1,119,214</b>	<b>-</b>	<b>1,119,214</b>	<b>1,451,156</b>
<b>Total incoming resources</b>	<b>1,302,723</b>	<b>1,524,217</b>	<b>2,826,940</b>	<b>3,457,927</b>
<b>EXPENDITURE</b>				
<b>Charitable activities</b>				
Wages	518,975	824,245	1,343,220	1,715,389
Social security	104,137	3,909	108,046	120,882
Pensions	112,571	2,031	114,602	301,703
Instrument consumables	2,195	-	2,195	4,032
Workshop expenditure	1,080	-	1,080	513
External funding and bursary	-	-	-	1,511
Project costs	141,439	440,887	582,326	529,241
Subcontracted staff costs	12,549	-	12,549	24,195
Music tours & trips	44,436	-	44,436	-
	<b>937,382</b>	<b>1,271,072</b>	<b>2,208,454</b>	<b>2,697,466</b>
<b>Support costs</b>				
<b>Management</b>				
Rates and water	-	-	-	(6,451)
Insurance	19,337	-	19,337	22,735
Light and heat	7,017	-	7,017	16,278
Telephone	4,621	-	4,621	10,413
Advertising	16,812	-	16,812	25,007
Sundries	2,436	-	2,436	1,301
Carried forward	50,223	-	50,223	69,283

This page does not form part of the statutory financial statements

**Severn Arts**

**Detailed Statement of Financial Activities  
for the Year Ended 31st August 2025**

			Year Ended 31.8.25	Period 1.4.23 to 31.8.24
	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
<b>Management</b>				
Brought forward	50,223	-	50,223	69,283
Service charges	16,511	-	16,511	23,391
Rent	38,400	-	38,400	54,400
Travel expenses	70,817	350	71,167	97,729
IT expenses	25,454	-	25,454	36,800
Legal and professional	5,157	-	5,157	11,301
Accountancy and payroll	17,393	-	17,393	17,023
Conference costs	2,000	-	2,000	2,737
Subscriptions	4,775	-	4,775	4,253
Board costs	2,484	-	2,484	2,704
Premises costs	11,240	-	11,240	12,674
CPD costs	5,835	-	5,835	8,831
Venue hire	1,542	-	1,542	5,398
Safeguarding costs	3,424	-	3,424	2,774
Consultancy fees	24,530	-	24,530	15,138
Postage and stationary	758	-	758	2,048
Depreciation	31,914	1,321	33,235	50,609
Profit on sale of tangible fixed assets	696	-	696	310
	<b>313,153</b>	<b>1,671</b>	<b>314,824</b>	<b>417,403</b>
<b>Finance</b>				
Bank charges	5,636	-	5,636	5,215
<b>Governance costs</b>				
Auditors' remuneration	7,890	-	7,890	5,500
Total resources expended	<b>1,264,061</b>	<b>1,272,743</b>	<b>2,536,804</b>	<b>3,125,584</b>
<b>Net income/(expenditure)</b>	<b>38,662</b>	<b>251,474</b>	<b>290,136</b>	<b>332,343</b>

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