

REGISTERED CHARITY NUMBER: 1186662

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
FOR
WANDSWORTH MUSIC**

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

WANDSWORTH MUSIC

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

	Page
Report of the Trustees	1 to 10
Report of the Independent Auditors	11 to 13
Statement of Financial Activities	14
Statement of Financial Position	15
Statement of Cash Flows	16
Notes to the Statement of Cash Flows	17
Notes to the Financial Statements	18 to 32

WANDSWORTH MUSIC
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

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

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity are for the public benefit:

- (i) To advance education particularly (but not exclusively) in relation to music;
- (ii) to advance the arts and culture, particularly (but not exclusively), by promoting and facilitating access to, performances of, and participation in performances of, music;
- (iii) 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.

Wandsworth Music aims to inspire enjoyment & excellence in music, in all its forms. Our vision is a borough where everyone has access to high quality music making, enhancing and enriching the cultural life of the community, and in particular, the aspirations of children and young people, especially those in financial need and challenging circumstances.

The vision that shapes our annual activities is based on the aspirations of the National Plan for Music Education, "The Importance of Music". Published in 2011, it sets out the Government's vision for music education to enable children from all backgrounds and every part of England to have the opportunity to learn to play a musical instrument; to make music with others; to learn to sing and to have the opportunity to progress to the next level of excellence through local pathways.

Wandsworth Music is the lead partner of the Wandsworth Music Education Hub, part of a national network of music education hubs established in 2012. Wandsworth Music receives funding directly from Arts Council England on behalf of the Department for Education with a remit to fulfil four core roles and three extension roles in the delivery of music education.

Core Roles

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

Extension Roles

- (i) Offer CPD to school staff, particularly in supporting schools to deliver music in the curriculum.
- (ii) Provide an instrument loan service, with discounts or free provision for those on low income
- (iii) Provide access to large scale and /or high-quality music experiences for pupils, working with professional musicians and/or venues

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.

WANDSWORTH MUSIC
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

Review of the Year, April 2021 to March 2022

Charitable activities

The COVID-19 pandemic continued to impact on our delivery operations during the period, however the strong foundations and learnings built during the previous year ensured that we were able to broaden our impact and maintain a high level of musical and social engagement for young people.

Thankfully as restrictions eased towards the end of the summer term, we were able to hold several small scale concerts at the Music Academy and in schools.

From September 2021, all teaching programmes in schools returned to normal delivery. We were also thrilled to be able to re-open the Music Academy in full and welcome all 450 pupils back on site together, something which had not happened since March 2020.

Funding - Arts Council England

As lead organisation for the local Music Education Hub, Wandsworth Music (WM) continues to fully implement the National Plan for Music Education (NPME), undertaking all the core and extension roles as detailed in the plan.

A positive relationship continues with Arts Council England (ACE) who distribute funding on behalf of the Department for Education (DfE). A significant amount of background information and statistical data is provided to ACE on a regular basis to secure the release of grant payments. The Annual feedback letter was received from ACE in January 2022. It assessed progress during 2020/21 and proposed the level of contact during 2021/22. A number of strengths were identified:

- *Wandsworth Music has dealt with the difficulties of the Coronavirus pandemic extremely well. The annual survey and ongoing monitoring show that the organisation achieved good results for WCET, schools engagement, singing strategies and School Music Education Plans, which are all above the national averages for this year.*
- *The rapid move to online delivery kept schools and parents engaged, which in turn protected income well and enabled you to retain staff and tutors. This is a considerable achievement as you were unable to benefit from any government CJRS support.*
- *There has been a good stream of income from fundraising with hub partners such as Thomas's Schools Foundation, the London Music Fund and Royal Philharmonic Orchestra.*
- *Governance and management of the hub appears to have been highly effective and resilient in the period as well.*

ACE has assessed the level of risk attached to the allocated DfE funding as minor risk, requiring a minimal level of monitoring and contact during the 2022-23 academic year.

Whole Class Ensemble Tuition (First Access)

High levels of school engagement were maintained. 2,220 children received free instrumental tuition at the point of access, with 1,676 children receiving whole class instrumental tuition for the first time, a slight increase on the previous year.

WANDSWORTH MUSIC
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

Continuation beyond Whole Class Ensemble Tuition (First Access)

Prior to the COVID pandemic, continuation was a long term strength of WM, with the numbers continuing beyond first access being significantly above the national average.

The disruption to in-person teaching, live performance opportunities and repeated lockdowns during the 20-21 academic year has negatively impacted on the number of pupils continuing this year.

The continuation model varies between schools and ranges from large group continuation lessons and bands to individual and small group lessons.

Singing Strategy

Singing forms an integral part of all programmes in schools. Bespoke programmes of support are available for all primary phases including; termly singing programmes; singing assemblies; choirs and CPD. Singing is also a fundamental part of WCET provision, where pupils learn to vocalise tunes, before learning them on their instruments.

The Autumn term and Spring term singing programmes were delivered in person and culminated in live concerts at Fairfield Halls and Burntwood Academy, featuring more than 1,500 young voices.

Progression

Progression is focussed on our centre of musical excellence, the Wandsworth Music Academy. The Academy supports the learning of c.450 students and has a clear, progressive ensemble structure in place catering for a wide range of ages, abilities & genres. By September 2021 the Academy was able to fully reopen for the first time since March 2020.

In school progression is offered via peri tuition, continuer WCET, singing projects & school ensembles. The majority of peri lessons are now offered directly to parents via Speed Admin tuition management. Despite the change in model, close partnership working & support from schools has been maintained, with many providing financial assistance to pupils on FSM & PP.

Music Academy

During the Summer Term of 2021 tuition was delivered via a blended model of online and face to face delivery. From September 2021, the Academy returned to pre-pandemic operations, meaning that we were able to welcome all pupils back on site for a full morning of music making every Saturday

From September 2021 all ensembles returned to regular rehearsals. The main ensembles running at the Academy during the Year were:

Philharmonic, Concert & Junior Orchestras
Training Strings, Wind & Brass
Junior Concert Band
Senior Brass
3 Jazz Orchestras
Performance Troupe Senior
Performance Troupe Junior & Tots
2 Saxophone quartets

WANDSWORTH MUSIC
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

6 Pop and Rock bands
Percussion Ensemble
Multiple Djembe Drumming & Steel Pans Groups
Wandsworth Youth Choir
Wandsworth Show Band

Instrument Loans

More than 2,500 instruments are loaned free of charge for Whole Class and curriculum Music programmes. Instruments for pupils in receipt of pupil premium are heavily discounted and instruments for looked after children are provided free of charge.

Investment in high quality instruments and attention to regular, ongoing maintenance has ensured that hundreds of instruments are kept in working order beyond their usual expected life.

Concerts & Events

Concert & events are an integral part of our offer and an important way of celebrating the children and young people we work with. We were thrilled to be able to resume our annual performance programme. During the Summer term, we held 7 socially distanced concerts at the Music Academy featuring more than 450 pupils.

Autumn term highlights include performances at the London Jazz Festival and a near sell out concert at Fairfield Halls, Croydon.

The Spring Term culminated in 2 Brighter Sounds Concerts at Fairfield Halls, Croydon – featuring more than 1,000 children and young people and a combined audience of almost of 2,000.

Additionally the following concerts were held;

- Mayors Carol Concert
- 2 x Winter Sounds Concerts at Burntwood Academy
- Music Academy Christmas Concerts
- Jazz Night at Burntwood Academy
- Pop Bands at The Bedford
- Live from the WMA - Live streamed concerts from Wandsworth Music Academy, produced by the Youth Council
- Young Musician of the Year competition 1st round - Pre-recorded video submission

Music Therapy

Music Therapy continues to grow with five schools buying into the therapy service. A new Saturday therapy clinic was established in January 2021 at the Music Academy.

WANDSWORTH MUSIC
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

Charitable Funds, Remission and Scholarship Scheme

Fundraising, donations and other grants

Wandsworth Music is incredibly grateful for the many donations and grants that we receive to support our work and help to ensure that children and young people facing barriers to participation have the opportunity to continue accessing high quality music tuition. Approximately £12,000 was raised via donations and fundraising events including;

- £8,180 – Charitable Donations & Gift Aid
- £4,000 - Private donor

London Music Fund

We are grateful to the London Music Fund (LMF) for providing financial support for scholars to attend the Music Academy. Scholars receive up to 4 years free tuition at the Wandsworth Music Academy (The scholarship includes instrumental tuition, ensemble membership and free hire of an instrument)

We were also successful in a bid for £14,690 to support a new Street Band project in Roehampton.

Thomas's Foundation

We are grateful to the Thomas' Foundation for their continued support. This year the Thomas' scholarship scheme supported 14 scholars to attend the Academy.

Boshier Hinton

£2,000 was received from Boshier Hinton to support music making in Special Schools, in partnership with the Royal Philharmonic Orchestra.

WANDSWORTH MUSIC
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL REVIEW

Financial position

The financial position of the charity at the year-end is set out on page 15.

Despite the ongoing impacts of COVID-19, Wandsworth Music has largely maintained its regular levels of income from schools and parents, through delivering music tuition (either online or in person). Approximately 64% of income is generated via tuition (roughly 50% split between schools and parents). The DfE Music Education Hub Grant accounts for approximately 24% of turnover. Approximately 4% of turnover comes from charitable donations, grants and trusts.

Excluding any movements in the year on accounting for the LGPS pension liability the charity realised an operational surplus of £19,771 for the year. This compares with a surplus of £379,141 for 2021 period end although the 2021 result included £291,356 of assets transferred from Wandsworth Borough Council to establish the charity to run the Music Hub.

Ongoing Financial resilience is ensured through robust SLA's and payment policies, which have been revised and updated to include online tuition and cancellations clauses, in light of COVID. Service users are required to pay in advance of receiving tuition which helps to minimise the risk of bad debt and short-term fluctuations in income.

Financial sustainability is ensured in the following ways:

- " Ensuring a high-quality and diverse musical offer
- " The careful monitoring of income and expenditure
- " Ensuring appropriate reserves to mitigate against unexpected costs (e.g. long term illness, rises in employer costs etc)
- " Periodic reviews of fees and charges
- " Prudent charging policies and appropriate terms and conditions
- " New programmes such as music therapy and curriculum have contributed to diversifying sources of income
- " Improved communications which will increase reach and participation

Reserves policy

The trustees have decided that it is prudent to carry a reserve of three months of salary, premises costs and contractual obligations (plus 10% contingency). This equates to approximately £300,000

Total reserves as at 31 March 2022 (excluding the defined pension benefit reserve £603,000) were £398,913 (2021 £379,141) of which £387,321 (2021 £375,141) represented unrestricted funds and £11,592 (2021 £4,000) represented restricted fund. Free reserves at 31 March 2022 (unrestricted reserves less functional fixed assets) amounted to £279,545 slightly below the above desired level of £300,000 (2021 £256,353).

The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised and contingency savings made. These reserves are to provide sufficient funds to cover management, administration and operational costs over the stated period. The Trustees review the policy annually and the level of reserves is assessed in light of prevailing conditions and known risks to the Charity's sources of funds

It should be noted that the Defined Benefit Pension Scheme Liability of £603,000 is not a true representation. This liability is underwritten by Wandsworth Borough Council as part of the transfer agreement and as such is not a real liability for Wandsworth Music. When the final member of transferred staff exits the LGPS pension scheme the liability will pass back to Wandsworth Borough Council. See note 14.

WANDSWORTH MUSIC
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL REVIEW

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 the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Wandsworth Music was incorporated on 29 November 2019. It is a Charitable Incorporated Organisation (CIO), registered number 1186662. The charity is controlled by its governing document and constitutes an incorporated charity.

Trustees

There are currently 6 trustees. Potential new trustees are interviewed by members of the board of trustees, with appointments then agreed at Board level. When considering the appointment of new trustees the Board has due regard to the requirement for any specialist skills needed. Upon selection new trustees are required to complete an enhanced DBS check.

The Board of Trustees meet quarterly to discuss the activities, performance and finances of the charity.

Organisational structure

The day to day running and management of the organisation is delegated to the Chief Executive, Dan White. The CEO takes decisions on a day to day basis and refers to the Chair when appropriate. The CEO line manages the Assistant Head, two Instrumental Music Managers and the Administration Manager. There are three Senior Leaders, an Events Administrator and approximately 110 casual music tutors.

Wandsworth Music is a member of Music Mark, the UK subject association for music.

WANDSWORTH MUSIC
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

As required by the Charity Commission, the Board of Trustees will undertake regular reviews of the significant risks to which the Charity is exposed and ensure that mitigation policies are in place.

A risk register has been established and is updated annually. The key risk that the Charity has identified is the inability to secure or sustain current levels of funding. Current Government funding is confirmed until the 31 March 2022.

A number of lower priority risks have also been identified and procedures have been implemented which minimise these identified risks. The Board regularly discuss aspects of the operations to understand and manage the risk it faces.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1186662

Principal address

Burntwood School
Burntwood Lane
London
SW17 0AQ

Trustees

Mr D J White
Mr J F D Jones
Ms S P Lawless (resigned 5 July 2022)
Mr P R Lickman
Ms L McInerney (appointed 21 October 2021)
Ms S McDermott (resigned 5 July 2022)
Ms Marianne Claire Gilbert (appointed 5 July 2022)
Mr Richard Byrne-Smith (appointed 26 September 2022)

Auditors

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

WANDSWORTH MUSIC
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Approved by order of the board of trustees on15 September 2022..... and signed on its behalf by:



.....
Mr J F D Jones - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF WANDSWORTH MUSIC

Opinion

We have audited the financial statements of Wandsworth Music (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF WANDSWORTH MUSIC

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF WANDSWORTH MUSIC

Our responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory framework applicable to both the Charity itself and the environment in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Companies Act 2006, Charities Act 2013, Charity SORP FRS 102, UK GAAP (FRS102) and relevant tax legislation.

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

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

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
WANDSWORTH MUSIC**

Use of our report

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

A handwritten signature in dark ink that reads "Haines Watts". The script is cursive and somewhat informal.

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

Date: 31 October 2022

WANDSWORTH MUSIC

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022**

				Year Ended 31/3/22 Total funds £	Period 29/11/19 to 31/3/21 Total funds £
	Notes	Unrestricted funds £	Restricted funds £		
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	6,180	370,295	376,475	583,048
Charitable activities	3				
Music education		865,925	-	865,925	762,759
		<hr/>	<hr/>	<hr/>	<hr/>
Total		872,105	370,295	1,242,400	1,345,807
 EXPENDITURE ON					
Charitable activities	4				
Music education		869,506	362,703	1,232,209	985,051
Other (Support costs)		86,419	-	86,419	51,615
		<hr/>	<hr/>	<hr/>	<hr/>
Total		955,925	362,703	1,318,628	1,036,666
		<hr/>	<hr/>	<hr/>	<hr/>
NET INCOME/(EXPENDITURE)		(83,820)	7,592	(76,228)	309,141
 Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit schemes		144,000	-	144,000	(581,000)
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		60,180	7,592	67,772	(271,859)
 RECONCILIATION OF FUNDS					
Total funds brought forward		(275,859)	4,000	(271,859)	-
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD		<u>(215,679)</u>	<u>11,592</u>	<u>(204,087)</u>	<u>(271,859)</u>

The notes form part of these financial statements

WANDSWORTH MUSIC

**STATEMENT OF FINANCIAL POSITION
31 MARCH 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	9	107,776	-	107,776	118,788
CURRENT ASSETS					
Debtors	10	34,986	-	34,986	33,968
Cash at bank		<u>410,081</u>	<u>11,592</u>	<u>421,673</u>	<u>312,696</u>
		445,067	11,592	456,659	346,664
CREDITORS					
Amounts falling due within one year	11	(165,522)	-	(165,522)	(86,311)
		<u>279,545</u>	<u>11,592</u>	<u>291,137</u>	<u>260,353</u>
NET CURRENT ASSETS					
		387,321	11,592	398,913	379,141
TOTAL ASSETS LESS CURRENT LIABILITIES					
PROVISIONS FOR LIABILITIES	12	(603,000)	-	(603,000)	(651,000)
		<u>(215,679)</u>	<u>11,592</u>	<u>(204,087)</u>	<u>(271,859)</u>
NET ASSETS/(LIABILITIES)					
FUNDS	13				
Unrestricted funds				387,321	375,141
Pension reserve				(603,000)	(651,000)
Restricted funds				<u>11,592</u>	<u>4,000</u>
TOTAL FUNDS				<u>(204,087)</u>	<u>(271,859)</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 15.9.2022..... and were signed on its behalf by:



.....
Mr J F D Jones - Trustee

The notes form part of these financial statements

WANDSWORTH MUSIC

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

		Year Ended 31/3/22 £	Period 29/11/19 to 31/3/21 £
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	<u>109,477</u>	<u>442,896</u>
Net cash provided by operating activities		<u>109,477</u>	<u>442,896</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(500)</u>	<u>(130,200)</u>
Net cash used in investing activities		<u>(500)</u>	<u>(130,200)</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		108,977	312,696
Cash and cash equivalents at the beginning of the reporting period		<u>312,696</u>	<u>-</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>421,673</u></u>	<u><u>312,696</u></u>

The notes form part of these financial statements

WANDSWORTH MUSIC

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

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

	Year Ended 31/3/22 £	Period 29/11/19 to 31/3/21 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(76,228)	309,141
Adjustments for:		
Depreciation charges	11,512	11,412
Increase in debtors	(1,018)	(33,968)
Increase in creditors	79,211	86,311
Difference between pension charge and cash contributions	<u>96,000</u>	<u>70,000</u>
Net cash provided by operations	<u><u>109,477</u></u>	<u><u>442,896</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/21 £	Cash flow £	At 31/3/22 £
Net cash			
Cash at bank	<u>312,696</u>	<u>108,977</u>	<u>421,673</u>
	<u>312,696</u>	<u>108,977</u>	<u>421,673</u>
Total	<u><u>312,696</u></u>	<u><u>108,977</u></u>	<u><u>421,673</u></u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

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

Going concern

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

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

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

Instruments - 10 or 15 years straight line

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

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

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

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

WANDSWORTH MUSIC

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charity's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for teaching staff, and the closed Local Government Pension Scheme (LGPS) for non-teaching staff. For further information see note 13..

Cash

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Debtors and Creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

2. DONATIONS AND LEGACIES

	Year Ended 31/3/22 £	Period 29/11/19 to 31/3/21 £
Donations	20,994	12,859
Grants	355,481	278,833
Transferred from Wandsworth Borough Council	-	291,356
	<u>376,475</u>	<u>583,048</u>

Of the income from donations and legacies above for 2021 £293,596 was attributable to unrestricted funds and £289,452 to restricted funds.

In the prior year assets totalling £291,356 (including £130,200 in respect of instruments) were transferred from Wandsworth Borough Council to Wandsworth Music under a transfer agreement dated 1 May 2020.

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

	Year Ended 31/3/22 £	Period 29/11/19 to 31/3/21 £
Arts Council England – Core ACE grant	291,459	220,056
Arts Council England – DfE TPS pension grant	45,721	26,671
London Music Fund	5,523	9,096
Thomas Foundation	<u>12,778</u>	<u>23,010</u>

WANDSWORTH MUSIC

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

3. INCOME FROM CHARITABLE ACTIVITIES

	Year Ended 31/3/22 £	Period 29/11/19 to 31/3/21 £
Music education	<u>865,925</u>	<u>762,759</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £
Music education	<u>1,232,209</u>

(Direct costs include £1,144,405 staff related costs and £87,804 other music delivery costs such as concert, rent and exam costs)

5. SUPPORT COSTS

	Management £	Finance £	Information technology £	Governance costs £	Totals £
Other resources expended	<u>23,394</u>	<u>20,189</u>	<u>11,006</u>	<u>31,830</u>	<u>86,419</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

Staff may serve as Trustees and they may receive their remuneration in their capacity as employees of the charity, but no remuneration is paid for acting as a Trustee. The CEO received remuneration in his capacity as an employee of the charity as set out in note 15. The other Trustees did not receive any fees or remuneration for the performance of their role as Trustees.

Trustees' expenses

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

WANDSWORTH MUSIC

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

7. STAFF COSTS

	Year Ended 31/3/22 £	Period 29/11/19 to 31/3/21 £
Wages and salaries	814,169	687,976
Social security costs	55,379	46,312
Other pension costs	274,857	218,271
	<u>1,144,405</u>	<u>952,559</u>

One employee earned between £60,000 - £69,000. (2021 No employee earned more than £60,000).

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £236,001 (2021 £240,684).

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

	Year Ended 31/3/22	Period 29/11/19 to 31/3/21
Total	<u>69</u>	<u>57</u>

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	300,215	282,833	583,048
Charitable activities			
Music education	762,759	-	762,759
Total	<u>1,062,974</u>	<u>282,833</u>	<u>1,345,807</u>
EXPENDITURE ON			
Charitable activities			
Music education	706,218	278,833	985,051
Other	51,615	-	51,615

WANDSWORTH MUSIC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Total	757,833	278,833	1,036,666
NET INCOME	305,141	4,000	309,141
Other recognised gains/(losses) Actuarial gains/(losses) on defined benefit schemes	<u>(581,000)</u>	<u>-</u>	<u>(581,000)</u>
Net movement in funds	<u>(275,859)</u>	<u>4,000</u>	<u>(271,859)</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>(275,859)</u></u>	<u><u>4,000</u></u>	<u><u>(271,859)</u></u>

9. TANGIBLE FIXED ASSETS

	Plant and machinery £
COST	
At 1 April 2021	130,200
Additions	<u>500</u>
At 31 March 2022	<u>130,700</u>
DEPRECIATION	
At 1 April 2021	11,412
Charge for year	<u>11,512</u>
At 31 March 2022	<u>22,924</u>
NET BOOK VALUE	
At 31 March 2022	<u><u>107,776</u></u>
At 31 March 2021	<u><u>118,788</u></u>

WANDSWORTH MUSIC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	18,656	7,584
Prepayments and accrued income	<u>16,330</u>	<u>26,384</u>
	<u><u>34,986</u></u>	<u><u>33,968</u></u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	10,816	354
Taxation and social security	31,491	30,723
Other creditors	<u>123,215</u>	<u>55,234</u>
	<u><u>165,522</u></u>	<u><u>86,311</u></u>

Included in other creditors above is £25,616 of deferred income relating to events taking place in the year to 31 March 2023.

12. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Defined Benefit Pension Liability (see note 14)	<u><u>603,000</u></u>	<u><u>651,000</u></u>

13. MOVEMENT IN FUNDS

	At 1/4/21 £	Net movement in funds £	At 31/3/22 £
Unrestricted funds			
General fund	375,141	12,180	387,321
Pension liability	<u>(651,000)</u>	<u>48,000</u>	<u>(603,000)</u>
	(275,859)	60,180	(215,679)
Restricted funds			
Gifted Children Fund	4,000	1,658	5,658
London Music Fund - Roehampton	<u>-</u>	<u>5,934</u>	<u>5,934</u>
	<u>4,000</u>	<u>7,592</u>	<u>11,592</u>
TOTAL FUNDS	<u><u>(271,859)</u></u>	<u><u>67,772</u></u>	<u><u>(204,087)</u></u>

WANDSWORTH MUSIC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

13. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	872,105	(955,925)	144,000	60,180
Restricted funds				
Arts Council Music Education Hub Grant	291,459	(291,459)	-	-
Arts Council England – DfE TPS pension grant	45,721	(45,721)		
London Music Fund	5,523	(5,523)	-	-
Thomas's Foundation	12,778	(12,778)	-	-
Gifted Children Fund	4,000	(2,342)	-	1,658
London Music Fund - Roehampton	8,814	(2,880)	-	5,934
Bosher- Hinton	2,000	(2,000)	-	-
	<u>370,295</u>	<u>(362,703)</u>	<u>-</u>	<u>7,592</u>
TOTAL FUNDS	<u>1,242,400</u>	<u>(1,318,628)</u>	<u>144,000</u>	<u>67,772</u>

Comparatives for movement in funds

	Net movement in funds £	At 31/3/21 £
Unrestricted funds		
General fund	375,141	375,141
Pension liability	<u>(651,000)</u>	<u>(651,000)</u>
	(275,859)	(275,859)
Restricted funds		
Gifted Children Fund	4,000	4,000
	<u>4,000</u>	<u>4,000</u>
TOTAL FUNDS	<u>(271,859)</u>	<u>(271,859)</u>

WANDSWORTH MUSIC

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

13. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,062,974	(687,833)	-	375,141
Pension liability	-	(70,000)	(581,000)	(651,000)
	1,062,974	(757,833)	(581,000)	(275,859)
Restricted funds				
Arts Council Music Education Hub Grant	220,056	(220,056)	-	-
Arts Council England – DfE TPS pension grant	26,671	(26,671)		
London Music Fund	9,096	(9,096)	-	-
Thomas's Foundation	23,010	(23,010)	-	-
Gifted Children Fund	4,000	-	-	4,000
	282,833	(278,833)	-	4,000
TOTAL FUNDS	<u>1,345,807</u>	<u>(1,036,666)</u>	<u>(581,000)</u>	<u>(271,859)</u>

Arts Council England - Music Education Hub Grant to support delivery of the National Plan for Music core and extension roles.

DfE Teachers Pension Rebate Grant – Grant from the DfE to cover increase in Teachers Pension Employer contributions

London Music Fund - London Music Fund is a funding body with the Mayor of London as its Patron. Income is from individual philanthropy, corporate support and trusts and foundations. Its vision is that children who demonstrate significant musical ability, enthusiasm and commitment to learning an instrument are given the opportunity to develop their potential. Funding is used to enhance musical opportunities and experiences for children facing barriers to participation. Scholars receive a period of 4 years funding.

London Music Fund Partnership Fund – Partnership Funding for the Grow Roehampton Street Band Project.

Thomas's Foundation - Funding received from Thomas's Foundation funds expenses in relation to scholarships for children facing financial difficulties to attend the Wandsworth Music Academy.

Gifted Children Fund - donations received fund expenses in connection with musically gifted children facing financial difficulty.

Bosher Hinton - To support music making in Special schools in partnership with the Royal Philharmonic Orchestra.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

14. EMPLOYEE BENEFIT OBLIGATIONS

The charity's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for teaching staff, and the closed Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined-benefit schemes. A third pension scheme is also in operation, the Government Nest scheme for non-teaching staff.

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

Contributions amounting to £24,496 were payable to the schemes at 31 March 2022 (£11,338) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - continued

14. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

The pension costs paid to TPS in the period amounted to £116,079 (2021 £109,537).

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

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 March 2022 was £70,149 (2021 £68,091), of which employer's contributions totalled £52,877 (2021 £51,468) and employee's contributions totalling £17,272 (2021 £16,622). The agreed contribution rates for future years are 21.4% for employers and 5.5% to 9.9% (depending on salary and section) for employees.

The LGPS is closed to the charity, meaning no new members can be admitted to the scheme from the point of externalisation from the council. 7 members of staff remain in the scheme.

Under the transfer agreement dated 1 May 2020 the Council gave various indemnities in regards the LGPS as follows: -

Council guarantee

To ensure that the Administering Authority does not require the Wandsworth Music to provide an indemnity or bond in respect of the Eligible Employees, the Council will provide the Administering Authority with an indemnity or guarantee in a form acceptable to the Administering Authority in respect of the Charity's obligations to the Administering Authority for the duration of the Charity's admission of the Fund and will take any other steps required by the Administering Authority to ensure that an indemnity or bond is not required for the duration of the Charity's participation in the Fund.

Protection from redundancy pension strain costs

The Council shall indemnify the Charity in full from and against any early retirement strain costs, expenses or additional contributions arising from any pension payable as a result of the dismissal of any of the Eligible Employees on grounds of redundancy or efficiency of the service provided always that the Charity has used its best endeavours to mitigate and minimise such additional costs, expenses or contributions.

The Charity shall carry out any restructuring resulting in the dismissal of any of the Eligible Employees on grounds of redundancy or efficiency of the service in good faith and shall in advance obtain the Council's approval in relation to any proposal to dismiss any Eligible Employee on these grounds, such approval not to be unreasonably withheld or delayed.

NOTES TO THE FINANCIAL STATEMENTS - continued

14. EMPLOYEE BENEFIT OBLIGATIONS - continued

Protection from ill-health pension strain costs

The Council shall indemnify the Charity in full from and against all early retirement strain costs, expenses or additional contributions arising from the retirement of any of the Eligible Employees on grounds of ill-health or infirmity of mind or body provided always that the Charity has used its best endeavours to mitigate and minimise such additional costs, expenses or contributions.

For the avoidance of any doubt, where any Eligible Employee applies for retirement on grounds of ill-health or infirmity of mind or body, the Charity shall obtain the agreement of the Council to the appointment of any independent registered medical practitioner appointed to provide the relevant certificate.

Exit from the Fund

On termination of the Admission Agreement or on the Charity no longer having any Eligible Employees actively contributing to the Fund, the Council shall indemnify the Charity for any costs, expenses or liabilities to the Fund in respect of the Eligible Employees (including for the avoidance of doubt any deferred or pensioner members of the Fund) arising on termination of the Admission Agreement or on the Charity no longer having any Eligible Employees actively contributing to the Fund. If the Charity is paid an exit credit by the Fund on termination of the Admission Agreement or on the Charity no longer having any Eligible Employees actively contributing to the Fund, the Charity shall pay any such exit credit to the Council.

	<u>2022</u> £000	<u>2021</u> £000
Current service cost	83	63
Plan introductions, changes, curtailments and settlements		-
Net interest income / expense	13	7
Recognised in profit or loss	96	70
Recognised in other comprehensive income	(144)	581
Total recognised cost	(48)	651

WANDSWORTH MUSIC

NOTES TO THE FINANCIAL STATEMENTS - continued

14. EMPLOYEE BENEFIT OBLIGATIONS - continued

Amounts recognised in the balance sheet were as follows:

	<u>2022</u> £000	<u>2021</u> £000
Present value of funded obligations	(1,304)	(1,236)
Fair value of plan assets	701	585
	<hr/>	<hr/>
	(603)	(651)

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

	<u>2022</u> £000	<u>2021</u> £000
Defined benefit obligation introduced	1,236	943
Current service cost	136	114
Past service cost	-	-
Interest expense	26	14
Actuarial (gains) / losses	3	(11)
Contributions by scheme participants	17	17
Estimated benefits paid net of transfers in	12	-
Change in financial assumptions	(126)	159
Liabilities extinguished on settlements	-	-
	<hr/>	<hr/>
Closing defined benefit obligation	1,304	1,236

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

	<u>2022</u> £000	<u>2021</u> £000
Plan assets introduced	585	430
Interest income	13	7
Actual return on plan assets (excluding interest income)	21	80
Assets distributed on settlements	-	-
Contributions by employer	53	51
Contributions by scheme participants	17	17
Estimated benefits paid net of transfers in	12	-
	<hr/>	<hr/>
Closing plan assets	701	585

WANDSWORTH MUSIC

NOTES TO THE FINANCIAL STATEMENTS - continued

14. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	<u>2022</u> %	<u>2021</u> %
Equity instruments	60	63
Gilts	2	2
Debt instruments (bonds)	14	14
Property	12	8
Cash	1	4
Multi – asset fund	11	9
	<hr/> 100	<hr/> 100 <hr/>

The principal actuarial assumptions used were as follows:

	<u>2022</u>	<u>2021</u>
Discount rate	2.55%	2.05%
Expected rates of salary increases	4.05%	3.8%
Expected rates of pension increases	3.05%	2.8%

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

	Males	Females
Current pensioners	21.6 years	24.3years
Future pensioners	23.0 years	25.8years

WANDSWORTH MUSIC

NOTES TO THE FINANCIAL STATEMENTS - continued

14. EMPLOYEE BENEFIT OBLIGATIONS - continued

Sensitivity Analysis	£000s	£000's	£000's
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	1,258	1,304	1,352
Projected service cost	121	121	125
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	1,309	1,304	1,299
Projected service cost	121	121	120
Adjustment to pension increase and deferred revaluations	+0.1%	0.0%	-0.1%
Present value of total obligation	1,346	1,304	1,264
Projected service cost	126	121	116
Adjustments to life expectancy assumptions	+1 Year	None	-1 Year
Present value of total obligation	1,352	1,304	1,257
Projected service costs	126	121	116

WANDSWORTH MUSIC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

15. RELATED PARTY DISCLOSURES

There were no related party transactions for the period ended 31 March 2022 except as explained in note 6. Mr D White (a trustee) is remunerated for his role a CEO (£81,588 including employers' national insurance and pension contributions).