

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
FOR
WANDSWORTH MUSIC**

Haines Watts
Chartered Accountants & Statutory Auditors
Old Station House
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WANDSWORTH MUSIC

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FOR THE YEAR ENDED 31 MARCH 2023**

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WANDSWORTH MUSIC
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity are for the public benefit:

- (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.

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ACHIEVEMENT AND PERFORMANCE

The year was one of significant growth and development across all areas.

- Music Academy ensemble memberships increased by 14% to 471 students (2022: 413).
- A total of 505 pupils received tuition at the music academy, an increase of 8%. (2022: 467)
- Instrumental & vocal lessons numbers increased by 33% to 964 (2022: 727).
- Weekly curriculum and whole class music lessons were delivered to approximately 6,500 children in 39 primary schools (64% of all primary schools in Wandsworth)
- 92% of schools were supported via our school music education plans
- 1,650 young musicians from Wandsworth performed to a sold out audience at the Royal Albert hall in March 2023.
- Total turnover increased by 25% from £1.2m in 2021/2 to £1.54m in 2022/3.

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 2023. It assessed progress during 2021/22 and proposed the level of contact during 2022/23. A number of strengths were identified:

- “Wandsworth Music has done well to maintain good results throughout the period in the face of the recovery from COVID. In terms of school engagement on core roles, on singing strategies and on SMEPs the hub has delivered above the national averages.”
- “The hub has a good understanding of school needs through its school music survey. You assisted many schools with delivery, training or instruments and you have also adapted the offer with smaller group work, mixed instrumental offers and reinstated many ensembles.”
- “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.”

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.

School support: Curriculum Music & Whole Class Ensemble Tuition

Support for schools remained a key priority and relationships with all borough schools remained strong.

There was a significant increase in demand for curriculum music delivery with 14 schools now receiving curriculum music delivery from Wandsworth Music. In total 39 primary schools (66% of primary schools), received direct delivery of curriculum music, vocal or whole class ensemble tuition, engaging approximately

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6,500 pupils.

The increase in demand has resulted in a significant increase in the number of children engaging in whole class instrumental tuition. 2,827 children (up from 2,359) received free instrumental tuition at the point of access, with 1,850 (up from 1,543) children this for the very first time.

Support for school teachers and music leads continued to be provided by termly music network meetings.

Special School Work

Bespoke programme delivery continued at Garrat Park Special School and Nightingale Community Academy. Pupils are able to learn a range of orchestral and adapted instruments in small groups.

The annual Special school project was once again delivered in partnership with the Royal Philharmonic Orchestra. The project engaged 4 Special Schools with a series of ½ day creative music workshops, delivered by members of the Royal Philharmonic Orchestra and Wandsworth Music tutors. The project culminated in a performance at the Royal Albert Hall.

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 curriculum and whole class instrumental provision, where pupils learn to vocalise tunes, before learning them on their instruments.

We were delighted to again partner with the National Opera Studio, who supported our work in Wandsworth Secondary Schools and with the Wandsworth Youth Choir, leading towards a massed choir performance involving 350 secondary singers at the Royal Albert Hall.

Singing programmes were delivered to more than 4,500 children during the year and culminated in performances at the Royal Albert Hall, Fairfield Halls and the Wandsworth Civic Suite. In total more than 2,500 children sang in these performances.

Progression

Progression is focussed on our centre of musical excellence, the Wandsworth Music Academy. The Academy supports the learning of approximately 500 students and has a clear, progressive ensemble structure in place catering for a wide range of ages, abilities & genres. Places at the Academy continue to be in high demand.

In school progression is offered via peripatetic tuition, WCET continuation programmes, singing projects & school ensembles. Peripatetic lessons are now offered directly to parents via the Speed Admin tuition management system. This system has proven very successful and has supported an increase of pupil numbers from 727 to 964 during the course of the year.

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Wandsworth Music Academy

The Music Academy runs on Saturdays and Wednesday evenings at Burntwood School and has a significant focus on ensemble playing and performance across multiple diverse genres including Jazz, Rock & Pop, Classical, West African Djembe Drumming, Steel Pans and more!

Ensemble numbers continued to grow with total number of pupils increasing from 467 to 505. Ensemble membership grew from 413 to 471 pupils.

All ensembles work towards at least 2 performances each year. The main ensembles running at the Academy during the Year were:

- Philharmonic, Concert, Junior & Training Orchestras
- Training Strings, Wind & Brass
- Junior Concert Band
- Senior Strings
- String Thing!
- 3 String Quartets
- 3 Jazz Orchestras
- Guitar Ensemble
- Music Production
- Performance Troupe Seniors
- Performance Troupe Juniors
- 2 Saxophone quartets
- 6 Pop and Rock bands
- Percussion Ensemble
- Multiple Djembe Drumming & Steel Pans Groups
- Wandsworth Youth Choir

Instrument Hire

Approximately 2,500 instruments were loaned free of charge for Whole Class and curriculum Music programmes. A further 350 were hired directly to pupils receiving tuition at the Music Academy or in schools.

Instruments for pupils in receipt of pupil premium are heavily discounted (£12.50 per term) 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. These events offer young people an unmatched sense of collective accomplishment and memories that will fuel their enthusiasm for and engagement with music for years to come.

The highlight of the year was undoubtedly the sold-out concert at the Royal Albert Hall on 28 March. In total

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more than 1,650 pupils from Wandsworth Schools and the Wandsworth Music Academy performed in front of an audience of approximately 3,000! Some of the feedback included:

“That was off the scale! My goodness, what an evening. I can’t begin to fathom how you put all that together, but the organisation, skill, talent and vision was quite extraordinary. Our children in Wandsworth are deeply privileged to have such an amazing service available to them and I hope that the experience of taking part, and witnesses so many different genres in such an iconic building, will stay with them for life.”

Wandsworth Headteacher

“I want to say that I thought the concert was the best youth, music education concert that I have ever been to. I have seen lots of Music for Youth and other events over the years when I worked for Youth Music. Every aspect of the evening was perfect. A huge collective effort, a brilliant, varied programme, amazing teamwork across all the teaching staff, children and young people along with shining talented individual performers. Everything was engineered by you both perfectly and amazingly. The concert had pace and total commitment from everyone. The Hall was full – you must be very proud – and everyone wondered where the time had gone and when it was all over. We all wanted more.”

David Sulkin OBE – Director of Artistic Development, National Opera Studio

“It was truly inspiring seeing hundreds of talented young musicians take to the RAH stage, performing with such passion and confidence. From the glorious sounds of Monteverdi through to the toe-tapping tunes from Les Misérables, it was truly a joyful evening of music making of the highest quality... It was truly an evening to remember and a reminder that there is a bright future for music in this country.”

James Williams – Managing Director, Royal Philharmonic Orchestra

Other highlights included:

- A return of the annual orchestra tour: 67 musicians travelled to Spain to perform 5 concerts in July 2022
- Wandsworth Philharmonic Orchestra performing at Quarter Finals Day at the Wimbledon Tennis Championships
- 2 Winter Sounds Concerts at Fairfield Halls, Croydon featuring 1,000 pupils across 2 evenings.
- Wandsworth Jazz Orchestra performing at the London Jazz Festival, featuring new commissions from guitarist Sam Dunn
- Music Academy & Chestnut Grove Pop Bands performing at the Bedford Pub in Balham.
- Mayor of Wandsworth Carol and Gala Concerts
- Wandsworth Concert Orchestra side by side performance with Philharmonia Orchestra Clore Ballroom
- Wandsworth Music Academy Strings Players performance alongside Sheku Kanu-Mason & Philharmonia Orchestra at the Southbank Centre.
- Summer Schools Showcase in partnership with Wandsworth Arts at the Fringe Festival.
- Music Academy Concerts
- Live streamed concerts from Wandsworth Music Academy, produced by the Youth Council
- Young Musician of the Year competition
- GrowRoehampton Street Band procession
- Our partnership with St Lukes Music Society enabled musicians to attend masterclasses and performances by musicians such as Anna Lapwood.

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Youth Council

The Wandsworth Youth Council continued to grow from strength to strength. In addition to live streamed performances the Youth Council produced their first own event at the National Opera Studio as part of the Wandsworth Fringe Festival in June 2022.

Music Therapy

Music Therapy provision continued to grow with contracts to deliver in five schools. An increase in direct referrals to the Saturday Clinic resulted in the appointment of a 2nd music therapist to meet demand. We also supported a 2nd year Master's student work placement.

We were successful in a £10k grant application to the Wandsworth Social prescribing fund. This work will commence in September 2023.

Charitable Fundraising, Grants, Scholarship & Bursary Scheme

Wandsworth Music is incredibly grateful for the many donations and grants that we receive to support our work. This helps to ensure that children and young people facing barriers to participation have the opportunity to continue accessing high quality music tuition. Approximately £34,000 was raised via donations, fundraising and gift aid.

Financial assistance & Bursaries

Wandsworth Music is committed to giving every young person access to a music education and to supporting eligible young people to develop their musical talent where possible.

Wandsworth Music provides a fee remission of up to 50% off Wandsworth Music Academy fees to those children who are eligible for free school meals.

In addition discretionary bursary awards are available to children who may not meet the criteria for Free School Meals but who have a specific and demonstrable financial need that presents a barrier to participation.

Scholarship Scheme

We are grateful to the London Music Fund (LMF) and Thomas's Foundation 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).

A total of 21 pupils were supported with scholarships.

Project Grants

London Music Fund (LMF) – GrowRoehampton Street Band

The summer term also saw the culmination of the LMF funded Street Band Project in Roehampton.

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<https://youtu.be/jh05SBzAAiA?si=uBDttsLFbYc3QAYW>

Nugee Foundation

£2,000 was received to support music making in Special Schools

Wandsworth Grant Fund

£10,000 was received to support music making in Special Schools, in partnership with the Royal Philharmonic Orchestra, working towards the final performance at the Royal Albert Hall Concert in March 2023.

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FINANCIAL REVIEW

Financial position

The financial position of the charity at the year-end is set out on page 16.

The year saw significant growth and total turnover increased from £1,242,400 to £1,548,000. This was predominately achieved through an increase in school and parent income, which now accounts for c.70% of turnover. Approximately 5% of turnover comes from charitable donations, gift aid, foundations and trusts.

Core Music Hub grant funding fell from £291,459 to £287,904, and the grant now accounts for approximately 19% of turnover.

Excluding any movements in the year on accounting for the LGPS pension liability the charity realised an operational surplus of £17,809 for the year. This compares with a surplus of £19,771 for 2022 period. Although the operating surplus/deficit is regarded as a meaningful financial performance measure, in order to comply with accounting standards, any asset or liability relating to the Local Government (defined benefit) Pension Scheme for administrative staff is also reported in the financial statements.

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. 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
- Diversified sources of income through offering new programmes such as music therapy.
- Improved communications which will increase reach and participation

Reserves policy

Wandsworth Music maintains free unrestricted reserves:

- to provide a level of working capital that protects the continuity of our work
- to provide a level of funding for unexpected opportunities
- to provide cover for risks such as unforeseen expenditure or unanticipated loss of income.

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 £350,000.

Total reserves as at 31 March 2023 were £501,722 of which £408,719 represented unrestricted funds, £85,000 represented the LGPS pension reserve and £8,003 restricted funds. Free reserves as at 31 March 2023 (unrestricted reserves less functional fixed assets) amounted to £312,455.

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

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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 any liability arising from the Defined Benefit Pension Scheme is not a true representation. Any liability is underwritten by Wandsworth Borough Council as part of the transfer agreement and as such would not be a real liability for Wandsworth Music. When the final member of transferred staff exits the LGPS pension scheme any liability will pass back to Wandsworth Borough Council. See note 14.

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 9 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 (CEO), Dan White. The CEO takes decisions on a day-to-day basis and refers to the Chair when appropriate. The CEO manages the Assistant Head, two Instrumental 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.

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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 August 2024.

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 McNerney
Ms S McDermott (resigned 5 July 2022)
Ms Marianne Claire Gilbert (appointed 5 July 2022)
Mr Richard Byrne-Smith (appointed 26 September 2022)
Ms M Bariletti (appointed 17 May 2023)
Ms S Coultriss (appointed 17 May 2023)
Ms J Silvester (appointed 27 February 2023)

Auditors

Haines Watts
Chartered Accountants & Statutory Auditors
Old Station House
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REPORT OF THE TRUSTEES
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STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 on 21 November 2023 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 2023 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 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we

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

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 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.

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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.



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Date: 22 November 2023

WANDSWORTH MUSIC

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023**

		Unrestricted	Total	2023 Restricted	2022 Total
	Notes	funds £	funds £	funds £	funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	26,071	369,930	396,001	376,475
Charitable activities	3				
Music education		<u>1,152,650</u>	<u>-</u>	<u>1,152,650</u>	<u>865,925</u>
Total		<u>1,178,721</u>	<u>369,930</u>	<u>1,548,651</u>	<u>1,242,400</u>
EXPENDITURE ON					
Charitable activities					
Music education	4	1,096,581	373,519	1,470,100	1,136,209
LGPS	4	72,000		72,000	96,000
Other	5	<u>60,742</u>	<u>-</u>	<u>60,742</u>	<u>86,419</u>
Total		<u>1,229,323</u>	<u>373,519</u>	<u>1,602,842</u>	<u>1,318,628</u>
NET INCOME/(EXPENDITURE)		(50,602)	(3,589)	(54,191)	(76,228)
Other recognised gains/(losses)					
Actuarial gains on defined benefit schemes		<u>760,000</u>	<u>-</u>	<u>760,000</u>	<u>144,000</u>
Net movement in funds		709,398	(3,589)	705,809	67,772
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>(215,679)</u>	<u>11,592</u>	<u>(204,087)</u>	<u>(271,859)</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>493,719</u></u>	<u><u>8,003</u></u>	<u><u>501,722</u></u>	<u><u>(204,087)</u></u>

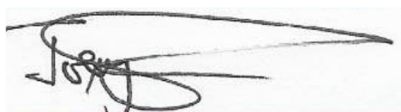
The notes form part of these financial statements

WANDSWORTH MUSIC

**STATEMENT OF FINANCIAL POSITION
31 MARCH 2023**

		Unrestricted	Total	2023 Restricted	2022 Total
	Notes	funds £	funds £	funds £	funds £
FIXED ASSETS					
Tangible assets	9	96,264	-	96,264	107,776
CURRENT ASSETS					
Debtors	10	112,311	-	112,311	34,986
Cash at bank		<u>413,085</u>	<u>8,003</u>	<u>421,088</u>	<u>421,673</u>
		525,396	8,003	533,399	456,659
CREDITORS					
Amounts falling due within one year	11	(212,941)	-	(212,941)	(165,522)
		<u>312,455</u>	<u>8,003</u>	<u>320,458</u>	<u>291,137</u>
NET CURRENT ASSETS					
		408,719	8,003	416,722	398,913
TOTAL ASSETS LESS CURRENT LIABILITIES					
		85,000	-	85,000	(603,000)
PROVISIONS FOR LIABILITIES	12				
		<u>493,719</u>	<u>8,003</u>	<u>501,722</u>	<u>(204,087)</u>
NET ASSETS/(LIABILITIES)					
FUNDS	13				
Unrestricted funds				408,719	387,321
Pension reserve				85,000	(603,000)
Restricted funds				<u>8,003</u>	<u>11,592</u>
TOTAL FUNDS				<u>501,722</u>	<u>(204,087)</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 21 November 2023 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 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(585)</u>	<u>109,477</u>
Net cash (used in)/provided by operating activities		<u>(585)</u>	<u>109,477</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>-</u>	<u>(500)</u>
Net cash provided by/(used in) investing activities		<u>-</u>	<u>(500)</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		(585)	108,977
Cash and cash equivalents at the beginning of the reporting period		<u>421,673</u>	<u>312,696</u>
Cash and cash equivalents at the end of the reporting period		<u><u>421,088</u></u>	<u><u>421,673</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 2023

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(54,191)	(76,228)
Adjustments for:		
Depreciation charges	11,512	11,512
Increase in debtors	(77,325)	(1,018)
Increase in creditors	47,419	79,211
Difference between pension charge and cash contributions	<u>72,000</u>	<u>96,000</u>
Net cash (used in)/provided by operations	<u>(585)</u>	<u>109,477</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/22 £	Cash flow £	At 31/3/23 £
Net cash			
Cash at bank	<u>421,673</u>	<u>(585)</u>	<u>421,088</u>
	<u>421,673</u>	<u>(585)</u>	<u>421,088</u>
Total	<u>421,673</u>	<u>(585)</u>	<u>421,088</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The financial statements 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 FOR THE YEAR ENDED 31 MARCH 2023

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 14..

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.

WANDSWORTH MUSIC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	34,071	20,994
Grants	<u>361,930</u>	<u>355,481</u>
	<u>396,001</u>	<u>376,475</u>

Of the income from donations and legacies above for 2022 £6,180 was attributable to unrestricted funds and £370,295 to restricted funds.

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

	2023	2022
	£	£
Arts Council England - Core ACE grant	287,904	291,459
Arts Council England - DfE TPS pension grant	45,721	45,721
London Music Fund	13,850	5,523
Thomas Foundation	<u>14,455</u>	<u>12,778</u>
	<u>361,930</u>	<u>355,481</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	£	£
Music education	<u>1,152,650</u>	<u>865,925</u>

4. CHARITABLE ACTIVITIES COSTS

	2023	2022
	£	£
Music education	<u>1,470,100</u>	<u>1,136,209</u>

(Direct costs include £1,257,656 (2022 £1,048,405) staff related costs and £212,444 (2022 £87,804) other music delivery costs such as concert, rent and exam costs).

Local Government Pension Scheme – amount recognised other than remeasurement under UK GAAP (see note 14)	<u>£72,000</u>	<u>£96,000</u>
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WANDSWORTH MUSIC

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

5. SUPPORT COSTS

	Management £	Finance £	Information technology £	Governance costs £	Totals £
2023	<u>25,414</u>	<u>16,440</u>	<u>9,921</u>	<u>8,967</u>	<u>60,742</u>
2022	<u>23,394</u>	<u>£20,189</u>	<u>£11,006</u>	<u>£31,830</u>	<u>£86,419</u>

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

	2023 Other resources expended £	2022 Total activities £
Other operating leases	17,000	17,000
Insurance	3,695	5,038
Telephone	1,161	1,157
Postage and stationery	3,558	199
Sundries	16,328	19,922
Bank charges	112	267
IT and software consumable	9,921	11,006
Auditors' remuneration	5,900	5,500
Sundries	<u>3,067</u>	<u>26,330</u>
	<u>60,742</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 2023 (2022 £nil)..

Trustees' expenses

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

WANDSWORTH MUSIC

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

7. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	967,313	814,169
Social security costs	64,037	55,379
Other pension costs	<u>298,306</u>	<u>274,857</u>
	<u>1,329,656</u>	<u>1,144,405</u>

One employee earned between £60,000 - £69,000. (2022 same).

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 £285,507 (2022 £236,001).

WANDSWORTH MUSIC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

7. STAFF COSTS - continued

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

	2023	2022
Total	<u>76</u>	<u>69</u>

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

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted	Total	Restricted
	funds	funds	funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	6,180	370,295	376,475
Charitable activities			
Music education	<u>865,925</u>	<u>-</u>	<u>865,925</u>
Total	<u>872,105</u>	<u>370,295</u>	<u>1,242,400</u>
EXPENDITURE ON			
Charitable activities			
Music education	869,506	362,703	1,232,209
Other	<u>86,419</u>	<u>-</u>	<u>86,419</u>
Total	<u>955,925</u>	<u>362,703</u>	<u>1,318,628</u>
NET INCOME/(EXPENDITURE)	(83,820)	7,592	(76,228)
Other recognised gains/(losses)			
Actuarial gains on defined benefit schemes	<u>144,000</u>	<u>-</u>	<u>144,000</u>
Net movement in funds	60,180	7,592	67,772
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>(275,859)</u>	<u>4,000</u>	<u>(271,859)</u>
TOTAL FUNDS CARRIED FORWARD	<u>(215,679)</u>	<u>11,592</u>	<u>(204,087)</u>

WANDSWORTH MUSIC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

9. TANGIBLE FIXED ASSETS

Plant and
machinery
£

COST

At 1 April 2022 and 31 March 2023

130,700

DEPRECIATION

At 1 April 2022

22,924

Charge for year

11,512

At 31 March 2023

34,436

NET BOOK VALUE

At 31 March 2023

96,264

At 31 March 2022

107,776

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	29,490	18,656
Prepayments and accrued income	<u>82,821</u>	<u>16,330</u>
	<u>112,311</u>	<u>34,986</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	8,037	10,816
Taxation and social security	29,989	31,491
Other creditors	<u>174,915</u>	<u>123,215</u>
	<u>212,941</u>	<u>165,522</u>

Included in other creditors above is £36,697 of deferred income relating to events taking place in the year to 31 March 2024. (2022 £25,616)

12. PROVISIONS FOR LIABILITIES

	2023 £	2022 £
Defined benefit Pension (Asset)/Liability (see note 14)	<u>(85,000)</u>	<u>603,000</u>

WANDSWORTH MUSIC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

13. MOVEMENT IN FUNDS

	At 1/4/22 £	Net movement in funds £	At 31/3/23 £
Unrestricted funds			
General fund	387,321	21,398	408,719
Pension liability	<u>(603,000)</u>	<u>688,000</u>	<u>85,000</u>
	(215,679)	709,398	493,719
Restricted funds			
Gifted Children Fund	5,658	2,345	8,003
London Music Fund - Roehampton	<u>5,934</u>	<u>(5,934)</u>	<u>-</u>
	<u>11,592</u>	<u>(3,589)</u>	<u>8,003</u>
TOTAL FUNDS	<u>(204,087)</u>	<u>705,809</u>	<u>501,722</u>

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	1,178,721	(1,157,323)	-	21,398
Pension liability	<u>-</u>	<u>(72,000)</u>	<u>760,000</u>	<u>688,000</u>
	1,178,721	(1,229,323)	760,000	709,398
Restricted funds				
Arts Council Music Education Hub Grant	287,904	(287,904)	-	-
Arts Council England – DfE TPS pension grant	45,721	(45,721)	-	-
London Music Fund	7,974	(7,974)	-	-
Thomas's Foundation	14,455	(14,455)	-	-
Gifted Children Fund	4,000	(1,655)	-	2,345
London Music Fund - Roehampton	5,876	(11,810)	-	(5,934)
Nugee Foundation	<u>4,000</u>	<u>(4,000)</u>	<u>-</u>	<u>-</u>
	<u>369,930</u>	<u>(373,519)</u>	<u>-</u>	<u>(3,589)</u>
TOTAL FUNDS	<u>1,548,651</u>	<u>(1,602,842)</u>	<u>760,000</u>	<u>705,809</u>

WANDSWORTH MUSIC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

13. MOVEMENT IN FUNDS - continued

Comparatives for 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>(271,859)</u>	<u>67,772</u>	<u>(204,087)</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	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	<u>2,000</u>	<u>(2,000)</u>	<u>-</u>	<u>-</u>
	<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>

WANDSWORTH MUSIC

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

13. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/4/21 £	Net movement in funds £	At 31/3/23 £
Unrestricted funds			
General fund	375,141	81,578	456,719
Pension liability	<u>(651,000)</u>	<u>688,000</u>	<u>37,000</u>
	(275,859)	769,578	493,719
Restricted funds			
Gifted Children Fund	4,000	4,003	8,003
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>(271,859)</u>	<u>773,581</u>	<u>501,722</u>

A current year 12 months and prior year 12 months combined 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	2,050,826	(2,113,248)	144,000	81,578
Pension liability	<u>-</u>	<u>(72,000)</u>	<u>760,000</u>	<u>688,000</u>
	2,050,826	(2,185,248)	904,000	769,578
Restricted funds				
Arts Council England Music Education Hub Grant	579,363	(579,363)	-	-
Arts Council England – DfE TPS pension grant	91,442	(91,442)	-	-
London Music Fund	13,497	(13,497)	-	-
Thomas's Foundation	27,233	(27,233)	-	-
Gifted Children Fund	8,000	(3,997)	-	4,003
London Music Fund - Roehampton	14,690	(14,690)	-	-
Bosher- Hinton	2,000	(2,000)	-	-
Nugee Foundation	<u>4,000</u>	<u>(4,000)</u>	<u>-</u>	<u>-</u>
	<u>740,225</u>	<u>(736,222)</u>	<u>-</u>	<u>4,003</u>
TOTAL FUNDS	<u>2,791,051</u>	<u>(2,921,470)</u>	<u>904,000</u>	<u>773,581</u>

WANDSWORTH MUSIC

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

13. MOVEMENT IN FUNDS - continued

Restricted Funds are used in the following ways:

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 – Roehampton: 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.

Nugee Foundation -To support music making in Special schools in partnership with the Royal Philharmonic Orchestra, culminating in the performance at the Royal Albert hall.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

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. 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 £26,037 were payable to the schemes at 31 March 2023 (2022 £24,496) 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);

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

14. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

The next valuation result is due to be implemented from 1 April 2024.

The pension costs paid to TPS in the period amounted to £145,065 (2022 £116,079).

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 2023 was £63,904 (2022 £70,149), of which employer's contributions totalled £48,099 (2022 £52,877) and employee's contributions totalling £15,805 (2022 £17,27). 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.

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.

WANDSWORTH MUSIC

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

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>2023</u> £000	<u>2022</u> £000
Current service cost	58	83
Plan introductions, changes, curtailments and settlements		-
Net interest income / expense	14	13
Recognised in profit or loss	72	96
Recognised in other comprehensive income	(760)	(144)
Total recognised cost	<u>(688)</u>	<u>(48)</u>

WANDSWORTH MUSIC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

14. EMPLOYEE BENEFIT OBLIGATIONS - continued

Amounts recognised in the balance sheet were as follows:

	<u>2023</u> £000	<u>2022</u> £000
Present value of funded obligations	(654)	(1,304)
Fair value of plan assets	739	701
	<hr/> 85	<hr/> (603)

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

	<u>2023</u> £000	<u>2022</u> £000
Opening defined benefit obligation	1,304	1,236
Current service cost	110	136
Past service cost	-	-
Interest expense	33	26
Actuarial (gains) / losses	57	3
Contributions by scheme participants	17	17
Estimated benefits paid net of transfers in	-	12
Change in financial assumptions	(823)	(126)
Change in demographic	(44)	-
Liabilities extinguished on settlements	-	-
Closing defined benefit obligation	<hr/> 654	<hr/> 1,304

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

	<u>2023</u> £000	<u>2022</u> £000
Plan assets introduced	701	585
Interest income	19	13
Actual return on plan assets (excluding interest income)	(48)	21
Assets distributed on settlements	-	-
Other actuarial gains/losses	(2)	-
Contributions by employer	52	53
Contributions by scheme participants	17	17
Estimated benefits paid net of transfers in	-	12
Closing plan assets	<hr/> 739	<hr/> 701

WANDSWORTH MUSIC

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

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>2023</u> %	<u>2022</u> %
Equity instruments	57	60
Gilts	-	2
Debt instruments (bonds)	16	14
Property	13	12
Cash	4	1
Multi – asset fund	10	11
	<hr/> 100	<hr/> 100
	<hr/>	<hr/>

The principal actuarial assumptions used were as follows:

	<u>2023</u>	<u>2022</u>
Discount rate	4.8%	2.55%
Expected rates of salary increases	3.90%	4.05%
Expected rates of pension increases	2.90%	3.05%

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

	Males	Females
Current pensioners	21.1 years	23.5years
Future pensioners	22.3 years	25.0years

WANDSWORTH MUSIC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

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	635	654	674
Projected service cost	35	37	39
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	656	654	652
Projected service cost	37	37	37
Adjustment to pension increase and deferred revaluations	+0.1%	0.0%	-0.1%
Present value of total obligation	673	654	636
Projected service cost	39	37	35
Adjustments to life expectancy assumptions	+1 Year	None	-1 Year
Present value of total obligation	672	654	637
Projected service costs	38	37	35

WANDSWORTH MUSIC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

15. RELATED PARTY DISCLOSURES

There were no related party transactions for the period ended 31 March 2023 or 31 March 2022 except as explained in note 6. Mr D White (a trustee) is remunerated for his role a CEO