

MERTON MUSIC FOUNDATION

Company Limited by Guarantee

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2008

Charity number: 1004122

Company number: 2590621 (England and Wales)



MERTON MUSIC FOUNDATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

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MERTON MUSIC FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Number 1004122
Company Number 2590621 (England and Wales)
Registered Office MMF Office, Chaucer Centre, Canterbury Road, Morden, Surrey SM4 6PX
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Bankers Lloyds TSB Bank plc, 83 High Street, Walton-on-Thames, Surrey KT12 1DU

Solicitors Bates, Wells and Braithwaite, 2-6 Cannon Street, London EC4M 6YH

Directors and Trustees

Chairman David Merriman
John Mander
Doreen Hewitt
Ian Newman
Hugh Wilson

Company Secretary John Mander

Principal Officers

Chief Executive John Mander
Deputy Director Soo Bishop (Curriculum)
Associate Director Martin Stuart (Client Services)
Business Opps. Manager Julee Awoonor-Gordon
Finance Manager Julie Raper

Merton Music Foundation is a member of

Federation of Music Services
National Association of Music Educators
Music Education Council
Schools Music Association

Grant funded by

Department for Children, Schools and Families
London Borough of Merton
Federation of Music Services

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2008

CHAIRMAN'S FOREWORD

Since its formation as a charitable trust in 1991 the Foundation has encountered its fair share of highs and lows, but for the Trustees, staff and the wider family of MMF, the sudden death of Associate Director Peter Woodings in September 2007 was both an enormous shock and a truly sad start to the new academic year.

Peter had significant involvement in the growth and development of Merton Music Foundation for over sixteen years. He will be remembered with much affection as a dedicated and inspirational tutor by the hosts of instrumental music students he taught over very many years. In addition Peter was a well-respected and enthusiastic conductor of junior and senior guitar ensembles.

Peter was an utterly loyal and vibrant member of the small management team at MMF and he continues to be sorely missed.

The challenges facing the Trustees and staff arising out of this sad event were compounded by the absence of the Chief Executive due to ill health. Thankfully, the latter part of the year has seen John Mander in improved health and by reallocation of working routines is now fully returned to this vital role of managing the focus and vision of the Foundation.

It is to the Deputy and Associate Director and the office staff that I record here my sincere appreciation for undertaking the extra burdens of management and execution of additional responsibilities during this low period in the life of MMF. This dedication enabled the Foundation to continue to function and fulfil all its obligations through an extremely difficult period. Let it also be said that despite this period of great challenge, the work and influence of MMF continued to increase.

This academic period saw the introduction and development of a new internal operational structure. This culminated in the appointment of a new post of Deputy Director (Music Services). The Trustees and I wish the new post holder, Elisabeth Wigley, every success and enjoyment in this new role, which is critical to the oversight and expansion of the Music Service sector of MMF's work.

It has yet again been a magnificent year in terms of music making – both home and abroad. Summer 2008 saw the largest contingent yet to go on tour, this time to Italy.

Attendance at the Music Centre, where groups of vocalists and instrumentalists of all ages rehearse on Monday or Wednesday evenings and Saturday mornings, continues to grow – to the point where accommodating everyone may soon become another challenge.

High quality curriculum support to schools across the Borough has continued unabated, and the local and national profile of MMF continues to be well respected. It is the duty of the Trustees to ensure compliance with the ever-increasing requirements of both charity and company law. In this regard I am grateful for the continuing support and contributions made by fellow trustees.

The fact that the "added value" of music is, at long last, recognised by government and local authorities, is to be applauded, but as ever, resources to fulfil and develop this recognition remain lagging well behind. The joy and satisfaction of observing young children maturing into responsible citizens, through their involvement in music, must surely never be jeopardised solely through lack of funding.

Through its dedicated team of tutors, administrators and conductors, I am pleased to report that all is well with Music in Merton. But yet there is so much more that could be done. The Foundation dreams big dreams, and with further resources the Trustees would delight in enabling at least some to come true.



David Merriman
Chairman
Merton Music Foundation
5 January 2009

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2008

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 August 2008.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 12 March 1991 and registered as a charity on 11 September 1991. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Organisational structure

The Board of Trustees meets termly to manage the affairs of the charity. The Board consists of five directors, from a variety of professional backgrounds, who are responsible for the strategic direction and policy of the charity. The Chief Executive, who is also a trustee, manages the day-to-day operations of the charity, and has delegated authority, within terms of delegation approved by the trustee body, for operational matters including finance, employment and artistic related activity.

Directors/Trustees who served during the year

D R Hewitt
J R Mander
D J Merriman
W I Newman
H C Wilson

Recruitment and appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law. It is the Board of Trustees' collective responsibility to ensure that the organisation is fit for purpose and to determine and support its strategic direction in order to enable it to attain its stated objectives. Members of the Board are normally re-elected at each Annual General Meeting. Retirement is by rotation with trustees, being eligible, offering themselves for re-election based on those who have been longest in office since their last appointment or reappointment. New appointments to the Board are made after completion of a trustee skills gap analysis. Recruitment is usually by recommendation with suitable business, education or charity experience sought. A curriculum vitae is required from the candidate and existing Board members approve all new appointments prior to their election at the next Annual General Meeting.

Trustee induction and training

New trustees are generally already familiar with the practical work of the charity. Their induction includes briefing them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction process, they meet key employees and the other trustees. All trustees are encouraged to attend appropriate external training events to develop their understanding of their roles as trustees. New trustees are also given relevant documentation including recent important documentation on music education, meeting minutes and annual reports.

Related parties

The charity works closely with the Friends of Merton's Young Musicians (Charity No. 274493-R). FMYM is a thriving Parents' Association for our Merton Youth Music activities. The management committee meets termly to administer the affairs of the organisation, to arrange fundraising events and to help with concerts and other events. Through these efforts, some of the more expensive instruments we need have been purchased and contributions made towards the costs of sheet music and overseas tours. The Chief Executive serves in an ex-officio non-voting capacity on the management committee of FMYM.

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2008

Risk Management

The Board of Trustees is responsible for the management of risks faced by the charity. Detailed considerations of risk are delegated to the Chief Executive, who is assisted by the senior management staff of the charity. Risks are identified and assessed, and controls established, throughout the year. A formal review of the charity's risk management processes is undertaken annually. The key controls used by the charity include:

- Formal agenda for board meetings
- Comprehensive strategic planning, budgeting and management controls
- Establishing organisational structure and lines of reporting
- Formal written policies
- Hierarchical authorisation and approval levels

The MMF's Risk Management Policy was originally developed in 2004. The Policy is reviewed annually by the Board and updated as appropriate.

Nine key risk headings have been identified with areas such as:

1. Mission & Objectives – Activities and plans are compatible with the charity's Memorandum and Articles
2. Law & Regulations – Compliance with Health & Safety, SORP and Education Acts
3. Governance & Management – Communication, management team effectiveness, service performance
4. External Factors - Acts of God/adverse weather, loss of grants/changes to their use
5. Operational – Reputation of the charity, adverse impact on services, public relation issues
6. Personnel - Difficulties recruiting/training, staff unavailable for extended period
7. Environmental - Lease development, accommodation issues
8. Technological - Failure of key software and hardware
9. Financial - Financial controls, audit compliance, tax compliance

In accordance with the Policy:

- the MMF Board has responsibility for overseeing risk management within the Company;
- the Chief Executive has responsibility for reviewing the systems of internal control and ensuring that effective systems of control are maintained and operated; and
- the MMF's senior management team supports, advises and implements policies approved by the Board and is committed to adopting good risk management practice.

The Board last reviewed the updated Risk Assessment Control in January 2008. Particular attention was paid to the top risks identified and the proposed action plans to be implemented to address them. Many of the top risks remained unchanged from those detailed in the previous register, including financial pressures resulting from the fall in the value of income received from the Government's Music Standards Fund, which is channelled through local authorities and does not take into account the cost of inflation.

Through the risk management processes established for the charity, the trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is also recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2008

OBJECTIVES AND ACTIVITIES

Charitable objective

The principal object of the Merton Music Foundation is to *"advance musical education within the framework of the arts for the benefit of the public in the London Borough of Merton and elsewhere"*.

There have been no changes in objectives since the last annual report.

Our mission

Our mission is to encourage participation, enjoyment and achievement by providing the highest quality learning opportunities in music and the performing arts.

Operational objectives

The benefits of music making for young people are well documented. Having the opportunity to learn a musical instrument, to experience singing and to perform with others is known to improve self-esteem, self-confidence and social skills, leading to positive attitudes to schooling and improved standards in music and the wider curriculum.

Our operational objectives are based on those of the Music Manifesto.

- To provide every young person with 'first access' to a range of quality music experiences and learning
- To provide more opportunities for young people to deepen and broaden their musical interests and skills
- To identify and nurture our most talented young musicians
- To develop a world class workforce in music education
- To improve the support structures for young people making music

The strategies and activities employed to achieve the charity's objectives are divided up into four areas:

Instrumental Music Programme

Merton Music Foundation's Instrumental Music Programme continues to form the backbone of the charity's operations with approximately 5,000 instrumental and vocal music lessons provided annually for young people and adults. The Foundation administers and co-ordinates the provision of instrumental music tuition by professional musicians in schools in the London Borough of Merton, at the Foundation's Music Centre, and also at a satellite centre at Wimbledon College. The choice of instruments offered in schools depends on the number of pupils who apply. If the instrument required is not taught at the child's school then lessons are provided at Merton Music Centre outside school hours. Group, shared or individual lessons can be requested, and there are choices for the length of lessons. Pupils are able to start with group lessons of three pupils (depending on the type of instrument). More advanced pupils progress to tuition on a shared or individual basis. In addition, lessons are offered at reduced rates for pupils who have taken part in the Wider Opportunities Programme, which aims to make vocal and instrumental tuition available to an increasingly large number of schoolchildren in Key Stage 2.

Tuition is offered across the full range of instruments:

- Brass: Trumpet, French Horn, Trombone, Euphonium & Tuba
- Strings: Violin, Viola, Cello & Double Bass
- Woodwind: Flute, Clarinet, Oboe, Bassoon & Saxophone
- Piano & Electric Keyboard
- Guitar, Electric Guitar & Bass Guitar
- Percussion
- Voice
- Recorder
- Theory of Music

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In support of its charitable objectives the MMF provides an extensive instrumental hire service. This service, which is a key part of the Foundation's operations, generates much needed funding that is used to support the MMF's Trust Fund scheme. The Trust Fund, which is overseen by the charity's Trustees, aims to support young people from disadvantaged backgrounds. Financial assistance towards the cost of music tuition and Youth Music membership is available to parents/guardians receiving various kinds of state support. Instances of special need are also supported by the Trust Fund wherever possible. Pupils receiving Trust Fund assistance are provided with an instrument free of charge, subject to a small payment of £10.00 towards the administrative cost of providing the instrument. The Foundation's current stock consists of instruments purchased by the MMF, instruments donated by the London Borough of Merton, instruments purchased with the assistance of the Friends of Merton's Young Musicians, instruments donated by the public, and instruments purchased through the Federation of Music Services for this year's Wider Opportunities Programme.

Merton Youth Music Programme

The Foundation's Youth Music Programme provides a range of music making activities at the Merton Music Centre, Canterbury Road, Morden. The Centre offers a structured progression of ensemble experience through its instrumental groups, bands, choirs and orchestras. A termly subscription is charged as a contribution towards the running costs of Merton Youth Music. This entitles members to participate in the Foundation's bands, choirs, orchestras and ensembles, and members may participate in more than one activity without further charge. Reductions are also available for families receiving MMF Trust Fund support as detailed above, and also for second and subsequent children within families.

Music Centre activities take place on Monday and Wednesday evenings and on Saturday mornings. Regular performance opportunities are provided, and concerts involving all groups are given termly. Some of the more prestigious senior groups are also able to perform on other occasions during the year, for example at the Wimbledon Tennis Championships. Players are encouraged to join the Foundation's training groups as soon as they have developed some elementary instrumental skills, usually within the first year of learning. When an appropriate standard has been reached, members can progress to the Foundation's intermediate orchestras, bands, choirs and ensembles. For advanced players the Foundation offers a wide range of groups, including the Merton Youth Concert Band, the Merton Youth Jazz Orchestra, and a number of instrumental and vocal ensembles. Newsletters are published periodically by MMF for members and their Parents.

Merton Youth Music provides regular tours abroad for its senior groups. Not only are these of immense educational value but they also offer wider educational and social benefits such as the forging of firm friendships and the promotion of good international relations. Groups also from time to time visit other parts of the country to attend music festivals and residential courses. These activities are important as they help the cohesion of the groups and contribute significantly to their performance standards. In addition, several senior groups have gained a national and international reputation, participating in prestigious events both at home and abroad. In recent years many of the Foundation's groups have participated in the Music for Life presentations at the Fairfield Halls, Croydon and the Royal Albert Hall, London.

Project Development Programme

Merton Music Foundation provides a varied programme of music-making initiatives that brings music into the lives of thousands of Merton children. Through its Project Development Programme, MMF provides a regular series of curriculum enhancing projects for Merton LA schools. The initiative, which is supported by the DCSF Standards Fund, Merton LA and MMF, enables schools to have regular access to high quality live music projects with experienced visiting professional musicians.

The charity has continued to expand its programme of 'Wider Opportunities' within Merton primary schools with the aim of developing a wide variety of projects and programmes to enhance Key Stage 2 provision. Wider Opportunities grew out of the Government's pledge that: "Over time, every primary school child that wants to, should have the opportunity of learning a musical instrument." The programme has a significant impact on pupils' musical achievements and their attainment and attitudes to learning across the curriculum.

The 'Sound Bites' Instrumental and Vocal Tuition Programme reached around 600 children in 12 primary schools and enabled whole classes and their class teachers to sing or learn a musical instrument together with musicians from the Foundation. Of almost 600 pupils who took part, 200 completed a vocal / choral programme, whilst around 400 received instrumental tuition on instruments including trumpet, recorder, djembe and violin.

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2008

In another strand of its popular vocal programme, MMF worked with a group of 120 Key Stage 2 (KS2) pupils and teachers from four schools to prepare and present a set of challenging two part carols for the Mayor of Merton's carol concert, this year held at St Teresa's RC Church in Mitcham. Each choral group received 3 half-day sessions to help them learn the material and develop their vocal skills.

As part of its drive to ensure access and inclusion, MMF worked in partnership with The Polka Theatre in Wimbledon to devise and deliver 'The Dreamcatcher' project. 24 KS2 pupils from St Ann's and Cricket Green Special Schools worked weekly throughout the Autumn term with 60 Year 4 pupils from SS Peter and Paul RC Primary School to write, choreograph and compose music using the Roald Dahl classic children's novel 'The BFG' as a stimulus. The project concluded with the children giving an impressive 1-hour performance to a full theatre of parents and guests.

The major Spring event was the curriculum-based vocal project 'Sing Up!' part of the charity's 'Music is for Life' series of large-scale performance opportunities. The project was conceived and delivered as a 'Wider Opportunities' programme with 450 KS2 primary pupils and their teachers receiving a series of eight half day vocal workshops over the spring term culminating in an impressive performance at Croydon's Fairfield Halls. The evening also included a stirring performance by 60 Year 4 djembe drummers from two schools learning through the 'Sound Bites' Wider Opportunities Programme.

Over the summer term, MMF organised a song writing competition amongst Merton Primary schools to mark the official final 'handover' of the Olympic Games at the Paralympics in September 2008. 24 Merton primary school staff received a two hour training session to help them support pupils in writing an original song reflecting the Olympic Games slogan, 'One world, one dream' and communicating the key messages of the Cultural Olympiad and the Olympic games. The winning song, 'It's a beam', submitted by a Year 5 pupil from Cranmer Primary school, was then professionally recorded and used as the focus for a 'Sing Out' across the borough, involving around 6,000 pupils from approximately 30 Primary schools.

MMF also helped to co-ordinate this year's KS3/4 'Showcase' event at Wimbledon Theatre, in partnership with the Wimbledon Civic Theatre Trust. Award-winning jazz musician Pete Churchill gave students from two High schools, Ricards Lodge and St Mark's Academy, a number of half-day vocal workshops to help them incorporate musical items into their showcase programmes.

Around 690 KS2 pupils from 7 primary schools (and their teachers) took part in 'Sing Out' half-day workshops and 21 BTEC students from Harris Academy had a day of choral and solo-singing workshops, all provided by MMF's Deputy Director.

Training Programme

Merton Music Foundation provides a wide range of services for schools as part of its Training Programme.

- Advice on all aspects of music education
- Professional development courses for classroom and instrumental teachers
- Termly meetings for teachers involved in Music Education to share expertise and information
- Publications, leaflets and reports on Music Education
- Regular newsletters and information on services provided by the MMF

Courses during the year included:

- *Music Co-ordinator Meetings*
Tuesday 30 October 2007, Tuesday 26 February 2008 and Tuesday 3 June 2008, 4.00pm - 5.30pm
- *New Merton Scheme of Work for KS2 Music*
Wednesday 3 October 2007, 9.15am – 3.30pm
- *New Merton Scheme of Work for FS / KS1 Music*
Wednesday 10 October 2007, 9.15am – 3.30pm
- *The Voices Foundation: Developing core musical skills using a vocal / aural approach*
Session 1: Wednesday 31 October 2007, 9.15pm – 3.30pm
Session 2: Monday 21 January 2008, 9.15am – 12.00noon
Session 3: Tuesday 11 March 2008, 9.15am– 12.00noon

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2008

ACHIEVEMENTS AND PERFORMANCE

The 2007-08 financial year continues to see significant achievements in each of the charity's four programmes of activity.

Instrumental Music Programme

The main features:

- The number of tuition hours provided in schools decreased by only 1.1% from 15,300 to 15,136 over the year
- The number of pupils receiving regular weekly tuition and vocal lessons over the year dropped slightly from 1484 to 1432
- 66% of those learning were taught on an individual basis (20 or 30-minute lessons); 18% were taught in shared lessons and 16% were taught in groups of three or more
- 4,962 music lessons were delivered in schools and at the Music Centre, a 3.6% decrease on last year's number of 5,147
- The differential between girls and boys learning to play a musical instrument continued to be 8%, with 56% girls and 44% boys learning a musical instrument
- Access by Key Stage saw 8.9% of pupils receive tuition at KS1, 54.3% at KS2, 21.6% at KS3 and 15.2% at KS4 and above
- Access by Phase saw 63.6% receive tuition in primary Schools, 19.7% in secondary schools and 16.7% at the Music Centre
- 209 pupils benefited from the MMF's Trust Fund over the year. This represents 14.6% of pupils receiving tuition through MMF
- The number of instruments on hire during the year increased to 312. This was a 7.2% increase on last year providing much needed additional funds to help support the charity's Trust Fund remission scheme

Merton Youth Music Programme

The main features:

- The number of students involved in Music Centre activities increased this year by 16.2% from 301 to 350, with total membership of ensembles reaching 550
- 18 ensembles were provided for musicians to perform in. These included an orchestra, 3 concert bands, 2 jazz orchestras, 2 choirs and 8 instrumental ensembles of varying sizes
- Two open 'Hands-On' days were held during the year, providing the opportunity for over 100 children to try out musical instruments under the guidance of MMF's tutors. Significantly, as a result of these, there was an encouraging take-up of tuition in less common instruments, such as oboe and bassoon

Our bands, orchestras, choirs and ensembles were involved in a number of significant events during the year:

- Christmas Junior Concert at Ricards Lodge High School
- Christmas Senior Concert at Raynes Park High School
- Mayor of Merton's Carol Service at St Teresa's RC Church, Morden
Youth Brass Ensemble, Youth String Ensemble
- A Charity Jazz Evening! MYJO 2 in an evening of jazz and big band music
- Spring Junior Concert at Ricards Lodge High School
- 'Music is for Life!' at the Royal Albert Hall
All bands, Young Voices, Youth Singers, Youth String Ensemble and MYJO
- JazzDinnerDance (Organised by FMYM - A Registered Charity)
Merton Youth Jazz Orchestra at a Gala Evening of Jazz, Dinner and Dance
- Wimbledon Tennis Championships
Performances by the Merton Youth Concert Band and Merton Youth Jazz Orchestra
- MMF Gala Concert at the Epsom Playhouse

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2008

Training Programme

The main features:

- 34 teachers and school staff received training through the charity's 'Music is for Life 2008!' Fairfield Hall project, which included a professional development strand for participating schools
- Around 15 staff received training through 'The Dreamcatcher' project
- 24 staff received training through MMF's 'Sing Out for 2012' song-writing project
- 3 Professional Development courses were provided for classroom and instrumental teachers
- 3 termly meetings were provided for Primary Music Co-ordinators in Merton schools to share expertise and information
- 9 schools received 'bespoke' INSET and/or curriculum support from the charity's deputy director for curriculum
- 15 NQTs received a half-day training session from Merton's AST for Primary Music
- Over 30 school staff received on-going support and training throughout 2007/08 provided through MMF's teachers' choir, The Merton Schools Adult Singers
- Various publications, leaflets and reports on music education were sent to schools
- Telephone advice on various aspects of music education was provided for schools and the public

Project Development Programme

The main features:

- 1 large-scale curriculum project was provided free of charge for schools - 'Music is for Life 2008!' (30 April 2008) at the Fairfield Hall, Croydon. 12 primary schools (500+ pupils) took up invitations to participate. The primary choirs totalled 450 pupils with 60 djembe drummers in addition to around 80 youth musicians from the Merton Youth Concert Band and MYJO.
- 10 instrumental workshop visits were provided free of charge for schools
- 16 KS2 classes (approx 600 children) from 12 Merton primary schools took part in Wider Opportunities programmes during the 2007-08 financial year

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2008

PLANS FOR THE FUTURE

To develop our charity's programmes, we have prioritised four strategic aims for the 2008-09 year. Due to the sudden death of Peter Woodings, Associate Director and the long-term illness of John Mander, Chief Executive, many of the plans for 2007-08 have had to be carried forward to the 2008-09 Financial Year.

1. Raising the profile of MMF

- To develop a new 3 year strategy for music education in Merton Primary Schools (2009-2011)
- To raise the profile of the charity and its four music education programmes through the development of new publicity literature that advocates the benefits of being involved in the charity's activities
- To complete the re-branding of Merton Music Foundation as part of this ongoing process
- To introduce a new series of bursary awards that will promote and enhance the charitable aspects of the Foundation's operations
- To update the MMF's website with new information on the charity's operations, secure customer payment facilities and dedicated areas for young people, parents and teachers to use

2. Increasing access, breadth and opportunity

- To increase the number of students using our Instrumental and Vocal Programme through improved links with Wider Opportunities programmes in participating schools
- To financially assist students transferring to large group tuition following Wider Opportunities programmes in schools
- To increase the number of students commencing tuition in shortage instrumental areas by running 'Endangered Species' initiatives (Viola, Bassoon, Oboe, Trombone and Tuba)
- To increase the number of children involved in music making activities through our Project Development Programme, including the delivery of a 4th 'Music is for Life' event during March 2009 at the Royal Albert Hall
- To provide a European tour for senior members of our Merton Youth Jazz Orchestra
- To increase the number of classroom teachers and instrumental tutors receiving professional development through our Training Programme
- To further develop creative educational partnerships with local and regional arts providers, including the Polka Theatre, New Wimbledon Theatre, Young Persons Concert Foundation and London orchestra education departments
- To further expand MMF training provision and consultancy advice services for schools

3. Increasing resources and achieving our financial targets

- To continue lobbying the DCFS, through external music organisations, to secure new funding that will place MMF on a financial footing equal to other national music services
- To continue lobbying London Borough of Merton to re-invest in MMF at a level equivalent to other London music services, including the removal of accommodation charges at Chaucer Centre
- To secure further funding from the DCFS to purchase musical instruments to support KS2 development
- To continue moving towards 'true cost recovery' from schools using Wider Opportunities programmes (50% for Year 1 provision, 75% for Year 2 provision and 100% by Year 3)
- To promote and enhance the charitable aspects of the Foundation's operations ensuring that clients are fully aware of the charitable support available from MMF

4. Developing our staffing structure

- To appoint a new Curriculum Consultant (Primary) who will be responsible for providing support for primary schools and to be MMF's Singing Leader as part of the national singing initiative 'Sing Up'
- To review administrative and management systems and to put in place procedures for monitoring and improving quality of service provision
- To strengthen our instrumental/vocal workforce by moving staff from self employed working to employed contract leading to improved quality and provision of tuition services for schools
- To further develop our Wider Opportunities workforce with the necessary skills and experience to deliver a first-class progressive programme of instrumental / vocal tuition
- To provide professional development opportunities that will develop our workforce capabilities

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2008

FINANCIAL REVIEW

The Foundation's year end is 31st August, and the accounts are audited annually. The accounts and their explanatory notes are set out on pages 14 to 23.

The main trends for the year were:

Income

- Income for the year was £971,235 in comparison with £848,826 for the previous year, an increase of 14.4%.
- Donations at £15,195 were up from £11,903, largely due to donations received from the Ronald Greenwood Musical Trust, a trust operated by the London Borough of Merton, which transferred funds to the Foundation during the year and a new fund, which was established with donations made during the year at the request of the Woodings family, following the death of Peter Woodings who was an Associated Director of MMF.
- The charity received a grant in the year from the Federation of Musical Services of £31,200. The grant's use is restricted to the purchase of musical instruments for use by children at KS2. The charity held sufficient cash balances at the year end to allow the funds to be applied as intended.
- Grants from the Government's Music Standards Fund (MSF) and Merton Local Authority increased from £304,090 in 2007 to £344,735 this year. This was largely due to increased allocations of funds received under MSF Grant 1.11, which includes funding aimed at increasing instrumental and vocal opportunities for Primary school aged pupils at Key Stage 2.
- Income from music tuition, Music Centre fees and other similar income streams, was up by 14.5% at £604,258, principally as a result of increased income from fees and a continued growth in numbers using the charity's services.
- Investment income showed a return of £7,047 on MMF's short-term deposits, 41.4% up on last year.
- Overall total income on a comparable basis to last year rose by 14.4%, primarily due to the effect of increases in grant income and tuition fees.

Expenditure

- Expenditure for the year was £877,293 in comparison with £854,179 for 2007, an increase of 2.7%.
- Cost of activities in furtherance of the charity's objectives was £823,818 and Governance costs were £53,475. The proportion of expenditure accounted for by charitable expenditure was over 94%, showing how efficiently the charity operates.
- Taking into account income and expenditure, the charity realised an operational surplus of £93,942 for the year before revaluations and investment asset disposals. This compares with a deficit of £5,353 in 2007.

Unrestricted and Restricted Funds

- Trustees' unrestricted funds increased by £58,346 during the year to £118,099 and are in line with the policy level required to meet the financial risks associated with MMF's operational activities.
- Restricted funds, principally representing amounts held by MMF for particular restricted purposes within the objects of the charity, amounted to £35,596 and were made up of funds received from the Federation of Music Services for the purchase of musical instruments and funds transferred from the Ronald Greenwood Music Trust.

Reserves

Our reserves are slowly growing again and now stand at an amount equivalent to one-month's operational costs. We would clearly wish to see this increase further; however, the pressures on us by the Department for Children, Schools and Families to provide ever more Wider Opportunities, at a time when resources continue to be limited at local authority level, makes this a constant balance, which the trustees find extremely difficult to maintain. This problem is further exacerbated by our national MSF grant, which continues to include an unfair and inequitable grant allocation for Merton. All of this continues to hold back a charity that could be doing so much more if only we received 'fair funding'. We sincerely hope that the Government is listening to our active lobbying and will resolve this matter when the new funding arrangements are announced in 2011.

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2008

Reserves Policy

The trustees have reviewed the charity's needs for reserves and agreed a reserves policy in line with the guidance issued by the Charity Commission.

It is the policy of the charity to seek to maintain unrestricted funds, which are the free reserves of the charity, at a level, which equates to at least one-month's unrestricted expenditure. Over time, the charity seeks to build up reserves equivalent to three months' operating costs, in order for the charity to be able to meet unexpected demands during difficult periods.

MMF's reserves policy is to maintain a sufficient level of reserves to enable operating activities to be maintained, taking account of potential risks and contingencies that may arise from time to time. The policy is reviewed annually by the Trustees.

Investment Policy

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees see fit.

The grant from the Government's Department for Education and Skills 'Standards Fund' is specifically allocated to the expansion and development of the Foundation's music education services.

The charity has a policy to keep any surplus liquid funds in an interest bearing deposit account and seek to achieve a rate of interest, which matches or exceeds inflation. From time to time short-term deposits are deposited weekly or monthly on Treasury depending on the availability of reserves and having regard to the liquidity requirements of operating the Foundation.

Trustees' responsibilities in relation to the Financial Statements

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- 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 accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. 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.

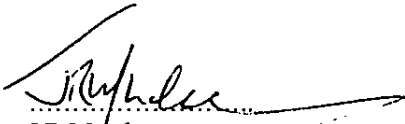
Disclosure of information to auditors

To the knowledge and belief of the Trustees, there is no relevant information that the company's auditors are not aware of, and the Trustees have taken all the steps necessary to ensure the Trustees are aware of any relevant information, and to establish that the company's auditors are aware of the information.

Auditors

A resolution will be proposed at the Annual General Meeting to reappoint WSM Partners LLP as the charity's auditors.

Approved by the trustees on 5th January 2009 and signed on its behalf by:


J R Mander
Company Secretary

MERTON MUSIC FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MERTON MUSIC FOUNDATION

We have audited the financial statements of Merton Music Foundation for the year ended 31 August 2008, which comprise of the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of Merton Music Foundation for the purposes of company law) responsibilities 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) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Trustees is consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all of the information and explanations we require for our audit or if information specified by law regarding the trustees' remuneration and other transactions is not disclosed.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements with the financial statements.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's affairs as at 31 August 2008 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985 and the information given in the Report of the Trustees is consistent with the financial statements.

Pinnacle House
17-25 Hartfield Road
Wimbledon
London
SW19 3SE

WSM Partners LLP
Registered Auditors and Chartered Accountants

WSM Partners LLP

16/02/09

MERTON MUSIC FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2008 (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	<i>Notes</i>	<i>Restricted funds</i>	<i>Unrestricted funds</i>	<i>2008</i>	<i>2007</i>
INCOMING RESOURCES					
Incoming resources from charitable activities					
Donations	2	9,581	5,614	15,195	11,903
Grants receivable	2	31,200	313,535	344,735	304,090
In furtherance of the charity's objectives	3	-	604,258	604,258	527,850
Income resources from generated funds					
Investment income	4	-	7,047	7,047	4,983
TOTAL INCOMING RESOURCES		40,781	930,454	971,235	848,826
RESOURCES EXPENDED					
Charitable expenditure:					
Cost of activities in furtherance of the charity's objectives	5	5,185	818,633	823,818	799,574
Governance costs	6	-	53,475	53,475	54,605
TOTAL RESOURCES EXPENDED	7	5,185	872,108	877,293	854,179
Net incoming/(outgoing) resources before revaluations and investment asset disposals		35,596	58,346	93,942	(5,353)
Total funds brought forward		-	59,753	59,753	65,106
TOTAL FUNDS CARRIED FORWARD		35,596	118,099	153,695	59,753

All of the results relate to continuing activities.

The charity has no recognised gains or losses other than the results for the year as set out above.

MERTON MUSIC FOUNDATION

BALANCE SHEET AT 31 AUGUST 2008

	<u>Notes</u>	<u>2008</u> £	<u>2007</u> £
FIXED ASSETS			
Tangible assets	11	33,991	24,582
CURRENT ASSETS			
Stock	12	2,101	1,315
Debtors	13	67,560	32,298
Cash at bank and in hand		174,709	83,764
		<u>244,370</u>	<u>117,377</u>
Creditors: amounts falling due within one year	14	<u>(124,666)</u>	<u>(82,206)</u>
NET CURRENT ASSETS		<u>119,704</u>	<u>35,171</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>153,695</u>	<u>59,753</u>
FUNDS			
Unrestricted funds	15	118,099	59,753
Restricted funds	16	35,596	-
TOTAL FUNDS CARRIED FORWARD	17	<u>153,695</u>	<u>59,753</u>

The directors have taken advantage of the special provisions of Part VII of the Companies Act 1985 relating to small companies in the preparation of the accounts.

Approved by the trustees on 5th January 2009 and signed on their behalf.


J R MANDER


D J MERRIMAN

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2008

1 ACCOUNTING POLICIES

The principal accounting policies which are adopted consistently in the preparation of the financial statements are set out below.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and are in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in February 2005, applicable accounting standards in the United Kingdom and the Companies Act 1985.

b) Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

c) Incoming resources

Incoming resources represent tuition fees and income from concerts and tours, hire of instruments, subscriptions, inset and other fees rendered during the year. Donations and other income are included in the year in which they are received.

As the company's principal activity is to provide music education, it is exempt from Value Added Tax and does not recover Value Added Tax on its expenditure.

d) Resources expended

Resources expended are recognised in the year in which they are incurred. Resources expended include attributable Value Added Tax, which cannot be recovered.

Expenditure for charitable purposes

Direct charitable expenditure includes all expenditure directly related to the objectives of the charity and comprises the costs of providing instrumental tuition, tours and concert performances and education and community projects undertaken by the charity and is accounted for when incurred. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Governance costs

Governance costs represent expenditure incurred in the management of the company's assets, organisational administration and compliance with constitutional and statutory requirements.

e) Tangible fixed assets and depreciation

Tangible fixed assets are included in the balance sheet at cost or at market value at the date of the gift.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are:

Music and instruments	25%	on reducing balance basis per annum
Office equipment	25%	on reducing balance basis per annum
Computer equipment	25%	on reducing balance basis per annum

f) Stocks

Stock and work in progress is valued at the lower of cost and estimated net realisable value.

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2008

1 ACCOUNTING POLICIES (CONTINUED)

g) Pension scheme

The charity contributes to the Teachers Pension Scheme on behalf of the teaching staff and also contributes to defined contribution pension schemes which have been arranged by five members of staff, who are not eligible to join the Teachers' Pension Scheme.

Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charity in the year.

h) Hire purchase and lease transactions

Rentals under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

i) Fund accounting

The funds held by the charity are either:

- *Unrestricted general funds* - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- *Designated funds* - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Peter Woodings Music Bursary Fund

These funds have been designated by the charity to support exceptional young musicians at the request of Peter Woodings' family. The fund was established with donations made during the year and an award will be made on an annual basis. The charity held sufficient cash balances at the year end to allow the funds to be applied as intended.

- *Restricted funds* - these are funds that can 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 purposes.

Ronald Greenwood Music Bursary Fund

The Ronald Greenwood Music Bursary Fund was established in the year by the charity from funds transferred to it from the Ronald Greenwood Musical Trust by the London Borough of Merton who had previously operated the trust. The fund will be operated in accordance with the Ronald Greenwood Musical Trust deed dated 1st March 1981 and an annual award will be made to a young musician who shows great promise. The charity held sufficient cash balances at the year end to allow the fund to be operated in accordance with the Trust deed.

Musical instrument purchase fund

The charity received a grant in the year from the Federation of Music Services of £31,200. The grant's use is restricted to the purchase of musical instruments for use by children at KS2. The charity held sufficient cash balances at the year end to allow the funds to be applied as intended.

j) Grants receivable

Grants receivable and local authority fees are credited to the Statement of Financial Activities in the period to which they relate. Deferred income represents amounts received in respect of the future periods.

k) Taxation

As the company is a registered charity, it is exempt from corporation tax on its charitable activities.

Gift Aid Donations are received net of tax and credited to the appropriate fund in the year received. The tax credit recoverable from HM Revenue and Customs is also credited to the appropriate fund when received.

MERTON MUSIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2008

2 DONATIONS, LEGACIES AND SIMILAR INCOMING RESOURCES

	<i>Restricted funds £</i>	<i>Unrestricted funds £</i>	<i>2008 £</i>	<i>2007 £</i>
Donations				
Donations	9,581	5,614	15,195	11,903
Grants receivable				
Music Education Services	-	304,455	304,455	298,090
London Borough of Merton	-	6,080	6,080	3,000
Federation of Music Services	31,200	3,000	34,200	3,000
	31,200	313,535	344,735	304,090
Total	40,781	319,149	359,930	315,993

3 ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTIVES

	<i>2008 £</i>	<i>2007 £</i>
Tuition fees	457,201	429,411
Hire of instruments	22,290	18,632
Music centre subscriptions	39,166	29,448
Concert and tour receipts	66,717	40,110
Fees - inset	6,040	5,400
Other income	12,651	4,440
Hire - repairs to instruments	193	409
	604,258	527,850

4 INVESTMENT INCOME

	<i>2008 £</i>	<i>2007 £</i>
Bank interest receivable	7,047	4,983

MERTON MUSIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2008

5 COSTS OF ACTIVITIES IN FURTHERANCE OF CHARITY'S OBJECTIVES

Provision of charitable services:

	<i>Total</i> <i>2008</i> £	<i>Total</i> <i>2007</i> £
Instrumental tuition	363,019	352,312
Youth music programme	165,004	168,891
Tours and concerts	115,189	51,100
Professional advice and support to schools	23,005	23,792
CPD training	20,465	19,759
Project development	77,907	128,395
Instrument hire and repair	59,229	55,325
	823,818	799,574

Analysis of provision of charitable services:

	<i>Staff</i> <i>costs</i> £	<i>Other</i> <i>direct</i> <i>costs</i> £	<i>Depreciation</i> £	<i>Allocated</i> <i>other</i> <i>costs</i> £	<i>Total</i> <i>2008</i> £	<i>Total</i> <i>2007</i> £
Instrumental tuition	49,879	298,302	-	14,838	363,019	352,312
Youth music programme	75,389	86,223	-	3,392	165,004	168,891
Tours and concerts	38,932	72,865	-	3,392	115,189	51,100
Professional advice and support to schools	22,222	783	-	-	23,005	23,792
CPD training	18,345	-	-	2,120	20,465	19,759
Project development	68,914	6,873	-	2,120	77,907	128,395
Instrument hire and repair	38,135	3,791	8,824	8,479	59,229	55,325
	311,816	468,837	8,824	34,341	823,818	799,574

Included in depreciation is an amount of £5,185 relating to musical instruments in restricted funds.

6 GOVERNANCE COSTS

	<i>Staff</i> <i>costs</i> £	<i>Other</i> <i>direct</i> <i>costs</i> £	<i>Depreciation</i> £	<i>Allocated</i> <i>other</i> <i>costs</i> £	<i>Total</i> <i>2008</i> £	<i>Total</i> <i>2007</i> £
Salaries	29,603	-	-	-	29,603	30,026
Pension costs	2,974	-	-	-	2,974	3,020
Audit fees	-	4,559	-	-	4,559	4,664
Bookkeeping	-	3,915	-	-	3,915	3,290
Professional and legal fees	-	15	-	-	15	78
Bank charges	-	1,848	-	-	1,848	1,658
Sundries	-	-	-	-	-	165
Depreciation	-	-	2,506	-	2,506	3,341
Allocated support costs	-	-	-	8,055	8,055	8,363
	32,577	10,337	2,506	8,055	53,475	54,605

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

7 TOTAL RESOURCES EXPENDED

	<i>Staff costs</i> £	<i>Other direct costs</i> £	<i>Depreciation</i> £	<i>Allocated other costs</i> £	<i>Total funds 2008</i> £	<i>Total funds 2007</i> £
Direct charitable expenditure	311,816	468,837	8,824	34,341	823,818	799,574
Governance costs	32,577	10,337	2,506	8,055	53,475	54,605
	<u>344,393</u>	<u>479,174</u>	<u>11,330</u>	<u>42,396</u>	<u>877,293</u>	<u>854,179</u>

8 STAFF NUMBERS AND COSTS

	<i>2008</i> £	<i>2007</i> £
Staff costs:		
Wages and salaries	284,101	287,595
Social security costs	20,696	20,887
Other pension costs	31,443	31,517
	<u>336,240</u>	<u>339,999</u>

The average number of full-time equivalent employees (including casual and part time staff) during the year was as follows:

	<i>2008</i> Number	<i>2007</i> Number
Trading operations	<u>17</u>	<u>17</u>

No employees received remuneration of more than £60,000.

No remuneration or reimbursed expenses were paid to any of the trustees during the year in their capacity as trustees (2007: £nil).

9 NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	<i>2008</i> £	<i>2007</i> £
Staff pension contributions	31,443	31,517
Depreciation	11,330	8,193
Auditors' remuneration as auditors	4,370	4,465
other services	<u>189</u>	<u>199</u>

10 TAXATION

The charity is exempt from corporation tax on its charitable activities.

MERTON MUSIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2008

11 TANGIBLE FIXED ASSETS

	<i>Computer equipment</i> £	<i>Office equipment</i> £	<i>Music and instruments</i> £	<i>Total</i> £
Cost:				
At 1 September 2007	25,596	22,047	59,716	107,359
Additions	-	-	20,739	20,739
At 31 August 2008	25,596	22,047	80,455	128,098
Depreciation:				
At 1 September 2007	20,087	17,531	45,159	82,777
Provision for the year	1,377	1,129	8,824	11,330
At 31 August 2008	21,464	18,660	53,983	94,107
Net book value:				
At 31 August 2008	4,132	3,387	26,472	33,991
At 1 September 2007	5,509	4,516	14,557	24,582

12 STOCKS

	<i>2008</i> £	<i>2007</i> £
Stock	2,101	1,315

13 DEBTORS

	<i>2008</i> £	<i>2007</i> £
Trade debtors	31,518	6,430
Other debtors	36,042	25,868
	67,560	32,298

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>2008</i> £	<i>2007</i> £
Trade creditors	68,743	22,512
Accruals and deferred income	49,273	53,024
Other tax and social security	6,650	6,670
	124,666	82,206

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

15 UNRESTRICTED FUNDS

	<i>Balance at 1 September</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>Transfers</i>	<i>Balance at 31 August</i>
Peter Woodings Music Bursary Fund	-	2,411	-	-	2,411
General fund	59,753	928,043	(872,108)	-	115,688
	<u>59,753</u>	<u>930,454</u>	<u>(872,108)</u>	<u>-</u>	<u>118,099</u>

The Peter Woodings Music Bursary Fund was established by the charity in memory of Peter Woodings with donations made during the year.

16 RESTRICTED FUNDS

	<i>Balance at 1 September</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>Transfers</i>	<i>Balance at 31 August</i>
Ronald Greenwood Music Bursary Fund	-	9,581	-	-	9,581
Federation of Music Services	-	31,200	(5,185)	-	26,015
	<u>-</u>	<u>40,781</u>	<u>(5,185)</u>	<u>-</u>	<u>35,596</u>

The Ronald Greenwood Music Bursary Fund was established in the year by the charity from funds transferred to it from the Ronald Greenwood Music Trust by the London Borough of Merton.

The Federation of Music Services made a grant available to the charity during the year. The use of the grant is restricted to the purchase of musical instruments for use by children at KS2.

17 ANALYSIS OF NET ASSETS AMONG FUNDS

	<i>Restricted funds £</i>	<i>Unrestricted funds £</i>	<i>2008 £</i>	<i>2007 £</i>
Fund balances at 31 August 2008 are represented by:				
Tangible fixed assets	15,554	18,437	33,991	24,582
Net current assets	20,042	99,662	119,704	35,171
	<u>35,596</u>	<u>118,099</u>	<u>153,695</u>	<u>59,753</u>

18 LEASING COMMITMENTS

Operating leases

The company's annual commitments for rental payments under non-cancellable operating leases at 31 August 2008 were as set out below:

	<i>Land and buildings £</i>	<i>2008 Other £</i>	<i>Land and buildings £</i>	<i>2007 Other £</i>
Operating leases which expire:				
Within two to five years	-	2,047	-	2,044

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2008

19 RELATED PARTY TRANSACTIONS

During the year, J R Mander was employed by the charity as Chief Executive Officer. J R Mander is also a member of the board of trustees.

John Mander was also a member of the board of trustees of the Ronald Greenwood Music Trust Fund. During the year the Ronald Greenwood Music Trust Fund was wound up and it was unanimously agreed by the trustees to transfer all of its activities to Merton Music Foundation. Donations of £9,581 were transferred during the year to the charity. The funds are restricted and will be operated in accordance with the Ronald Greenwood Musical Trust deed and an annual award will be made to a young musician who shows great promise.

20 COMPANY LIMITED BY GUARANTEE

The liability of the members is limited. Every member undertakes to contribute an amount not exceeding £1 to the assets of the company, in the event of the company being wound up whilst they are a member, or within one year after ceasing to be a member, for the payment of the debts and liabilities of the company contracted before ceasing to be a member.

21 PENSION COSTS

Teaching staff employed by the charity are eligible for membership of the Teachers' Pension Scheme, which is a national, statutory contributory, unfunded defined benefit scheme administered by the Teachers' Pension Agency, an executive agency of the Department of Education and Employment. Pension costs are assessed in accordance with the advice of the Government Actuary. Contributions are paid in accordance with the rules of the Teachers' Pension Agency. From 1 April 2003, the employer contribution rate was 13.5%.

Five members of staff who are not eligible to join the Teachers' Pension Scheme participate in a defined contribution scheme to which the charity contributes.

The charity made contributions of £31,443 (2007: £31,517) during the year and £4,339 (2007: £4,276) was outstanding at the year end.

22 CONTROL

The charity was under the control of the board of trustees throughout the current and previous year.