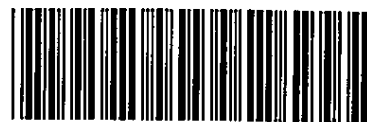


**MERTON MUSIC FOUNDATION-
A Charitable Company Limited by Guarantee**

**Annual Report and Financial Statements
For the Year Ended 31 August 2012**

Company Registration Number / Charity Number
02590621 / 1004122

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MERTON MUSIC FOUNDATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

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MERTON MUSIC FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name	Merton Music Foundation
Other names the charity is known by	MMF
Registered Charity Number:	1004122
Company Number	2590621 (England and Wales)
Registered Office	MMF Office, Chaucer Centre, Canterbury Road, Morden, Surrey SM4 6PX
Telephone	020 8640 5446
Fax	020 8646 6990
E-mail	admin@mmf.org.uk
Website	www.mmf.org.uk

Trustees

The trustees serving during the year and since the year end were as follows

David Merriman	Chair
Michael Collins	
Doreen Hewitt	
Rachel Jacob	
John Mander	Secretary
Ian Newman	
Hugh Wilson	Resigned 31 08 2012

Principal Officers

Senior Management Team

John Mander	Chief Executive
Soo Bishop	Programmes Director
Elisabeth Wigley	Programmes Director

Administration

Julee Awoonor-Gordon	Administration Manager
Julie Raper	Finance Manager

Our advisers

Independent Auditor	WSM Advisors Limited, Chartered Accountants & Registered Auditors Pinnacle House, 17-25 Hartfield Road, Wimbledon, London SW19 3SE
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Bankers	Lloyds TSB Bank plc, 83 High Street, Walton-on-Thames, Surrey KT12 1DU
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Solicitors	Bates, Wells and Braithwaite, 2-6 Cannon Street, London EC4M 6YH
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MMF is a member of four national music organisations

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

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2012

The Trustees, who are also the directors of the company for the purposes of the Companies Act, submit their annual report and the financial statements of Merton Music Foundation for the year ended 31st August 2012

Legal and administrative information set out on page 1 forms part of this report. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005

Chair's Statement

In my report last year, I alluded to the fact that the financial year ending August 2011 was a significant landmark in the continuing story of Merton Music Foundation, as it marked the 20th anniversary of the establishment of the Foundation

Without in any way diminishing from the success and appropriateness of those celebrations, the pleasure of the Trustees was, at that time, somewhat tempered by the uncertainties surrounding the outcome of the Government's "Henley Review" of national music provision

It was therefore with much relief and delight that in May 2012 the Foundation received notification from Arts Council England that under the National Plan for Music Education bid process, MMF had been formally appointed as a Music Hub. The timescale for submission of bids in the above process was short and the information to be extracted and collated was vast. I must put on record therefore how grateful the Trustees are for the amount of time and energy invested by John Mander, Soo Bishop, Lis Wigley and all the staff, in preparing all the groundwork for the bid.

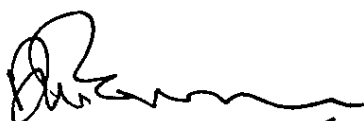
It is clear from the Foundation's appointment as a Music Hub that its established role in developing and enhancing partnerships between it and commerce, education and the arts has been recognised. The variety of partnerships allows music to be experienced and enjoyed across many social and commercial fields – not only to the benefit of pupils and students, but also all sectors of the community and embracing all levels of ability.

In September 2011, it was a delight to welcome Mrs Rachel Jacob as a new member on the Board of Trustees. Rachel brings to the Board a wealth of experience in the education, music and management fields.

In the light of the success of "partnership" in other areas, Merton Music Foundation joined with Wandsworth Schools' Music Service in undertaking a joint European tour to Holland. It was a very successful tour marking the first time that students from the two different music services had toured together.

The 'Music Hub' status brings with it enormous challenges in terms of enlarged focus, changed working practices and increased responsibilities, but it also brings increased opportunities to further the influence of music and the arts within local communities. These are exciting times, but also these changes bring a significantly increased challenge in terms of resources. With economic constraints being a feature of life nationally, it is perhaps not surprising that such pressures are also impacting businesses and organisations locally, and MMF is no exception. Faced with year-on-year reductions in funding, the charity will entail increasingly inventive planning. This combination of success against a background of constraint, will undoubtedly be the focus for the Foundation's trustees in the coming year.

High calibre music and choral activity, in many and varied forms, has been a wonderful feature of this past year, and again praise must be given to the many tutors and conductors as they continue to inspire generations of music makers. More detail regarding these highlights is given elsewhere in the report.



David Merriman
Chair of Trustees
Merton Music Foundation

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2012

Structure, Governance and Management

Governing Document

Merton Music Foundation 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. None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisation

The Board of Trustees meets termly to manage the affairs of the charity. The Board consisted of seven 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.

Recruitment and Appointment of Trustees

The trustees are also the directors for the purpose of company 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 normally by recommendation with suitable business, education or charity experience sought. A curriculum vitae is required from candidates and existing Board members approve all applications. Vetting checks include ensuring candidates have not been disqualified from acting as a trustee and enhanced checks with the Criminal Records Bureau. All members of the Board give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

Trustee Induction and Training

New trustee 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.

Wider Networks

Merton Music Foundation is now operating as part of a new nationwide network of 122 music education hubs receiving grant funding from Arts Council England. MMF is the lead partner for the Merton Music Education Hub - a collection of organisations working in the local area to create joined up music education provision for children and young people, both in and out of school.

The charity is also an active member of the South West London Music Education Partnership, which consists of the music services of Croydon, Hounslow, Kingston, Merton, Richmond, Sutton and Wandsworth.

Related Parties

MMF works closely with the Friends of Merton's Young Musicians (FMYM) (Charity No. 274493-R). FMYM is the parents' association for our Music Centre activities, which are based at the Chaucer Centre. 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 2012

Objectives and activities

Who we are and what we do

Merton Music Foundation (MMF) is a Registered Charity. Our charitable purpose is *"To advance music education within a framework of the arts for the benefit of the public of the London Borough of Merton and elsewhere "*

Our aim is to promote and support the highest quality music education for ALL

Mission Statement

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

Activities

Merton Music Foundation has been successful in a major bid to Arts Council England (ACE) to lead a Music Education Hub for children and young people in Merton. MMF's activities are now focused on delivering the Government's new **National Plan for Music Education** (DfE, November 2011)

The National Plan's principal objective is to *"enable children from all backgrounds and every part of England to have the opportunity to learn 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"*

The Government has set roles for hubs to ensure national consistency and equality of opportunity

Core Roles

- **First Access** - Ensure that every child aged 5 - 18 has the opportunity to learn a musical instrument (other than voice) through whole-class ensemble teaching programmes for ideally a year (but for a minimum of a term) of weekly tuition on the same instrument
- **Progression** - Ensure that clear progression routes are available and affordable to all young people
- **Ensembles** - Provide opportunities to play in ensembles and to perform from an early stage
- **Singing** - 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

- **Continuous Professional Development** – CPD for school staff, particularly in supporting schools to deliver music in the curriculum
- **Instrument Hire** - Provide an instrument loan service, with discounts for those on low incomes
- **Live Music Opportunities** - Provide access to large scale and high quality music experiences for pupils, working with professional musicians and venues. This will include undertaking work to publicise the opportunities available to schools, parents/carers and students

Ensuring our work continues to deliver our charitable purpose

Both the Trustees and the charity's Senior Management Team review our aims, objectives and activities annually. The review examines what has been achieved and the outcomes of our work over the past twelve months. The review looks at the success of each role area and the benefits that have been brought to the various groups of people we work with. The review also helps us ensure that our aims, objectives and activities remain focused on our stated charitable purpose. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in deciding what activities the charity should undertake

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2012

Delivery

Executive responsibility for delivery rests with the Chief Executive and the Senior Management Team who are full time employees of the Foundation and to whom all other employees report either directly or indirectly

MMF aims to achieve the highest quality service provision by striving to provide the best opportunities in which to encourage learning through the National Plan's core and extension roles

Building effective and secure partnerships is critical to our ethos of developing sustainable music education provision for our various client groups. We rely on the active support of the London Borough of Merton and schools in Merton, and we strive to work in active partnership with them. We receive significant support from both parents and our friends group – FMYM

Volunteers

The FMYM meet regularly to administer the affairs of the charity, to arrange fund-raising events to support the work of MMF, and to help with concerts and other events provided by our charity. Over the years, FMYM's fund raising has enabled us to buy instruments, purchase sheet music for our groups, provide coaching for events like 'Music is for Life' and 'Music for Youth' festivals, and support the provision of overseas tours for our senior groups

Achievements and performance

It has been a busy and very successful year with thousands of children and young people benefiting from the services of our charity. The following summary provides a brief overview of our achievements and performance against the National Plan's Core and Extension Roles

CORE ROLES

1. First Access

- 2,669 KS2 pupils from 32 Merton Primary schools participated in 'In2Recorder' whole class instrumental music programmes with no charge to parents
- 35 Key Stage 2 classes (almost 1,000 pupils) from 18 Merton primary schools received instrumental tuition under MMF's 'In2Music' whole class teaching programme
- Several new programmes were developed during the year including the expansion of our 'Strictly' series into schools in addition to Merton Music Centre

2. Progression

- Merton Music Foundation's Instrumental Music Programme continues to form the backbone of the charity's operations with 3,971 instrumental and vocal music lessons provided annually
- Our MMF Trust Fund scheme was refocused to support children and young people who have Free School Meals (FSM) entitlement in Merton schools. This was felt to be more inclusive and easier to access for parents experiencing financial hardship. The charity offers a 50% discount on all music tuition provided for those on FSM (138 children were supported throughout the year)
- Associated Board of the Royal Schools of Music examinations were introduced at Chaucer Centre for all pupils studying with MMF. Achievements included a 100% pass rate for 70 students taking examinations during the first 2 sessions
- New Music Centre groups were developed to broaden provision for our students. This included a Saxophone Ensemble and Rock Styles. Good take-up and high standards achieved in the groups
- New junior brass and woodwind groups were established for children coming out of whole class provision in schools as preparation for joining Training Band at Merton Music Centre
- A new scholarships programme funded by the Mayor's Fund for Young Musicians was implemented for talented/disadvantaged children coming from whole class provision in schools

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2012

3. Ensembles

Music Centre:

- The number of students involved in Music Centre activities was 335, with total membership of ensembles reaching 507 over the year
- 22 groups were provided for musicians to take part in. These included a concert orchestra, 3 concert bands, 2 jazz orchestras, 2 choirs and 15 instrumental ensembles of varying sizes and levels
- All Music Centre groups were involved in performance opportunities during the year from 'Beginner' concerts through to Music for Youth national appearances with Training and Intermediate Bands
- Strings played on stage with the Orchestra of the Age of Enlightenment (OAE) at the Royal Festival Hall and Queen Elizabeth Hall in addition to workshop days with Wandsworth Schools' Music Service (WSMS) and a four borough joint concert at Cecil Sharp House
- A joint Tour to Holland with WSMS featuring Pops Orchestra and the Merton Youth Jazz Orchestra for KS3 upwards musicians
- Two 'Hands-On' afternoons were held during the year, providing the opportunity for over 150 children to try out musical instruments under the guidance of MMF's tutors

'ArtsBeat 2013':

- A group of string students from MMF's Wimbledon College String Project participated in an event at Kings Place with the Orchestra of the Age of Enlightenment
- 'Carmina Burana' partnership performance with Colliers Wood Chorus took place at St Barnabus Church, Mitcham involving 27 young instrumentalists and 28 members of Merton Youth Music's VoiceBox
- 19 MYM senior and intermediate string students played at a workshop and performance led by the Orchestra of the Age of Enlightenment at the Royal Festival Hall
- Excerpts from Carmina Burana were performed at The Roundhouse, Camden
- 30 students all receiving tuition in Merton schools or at Music Centre, performed at an informal 'Spotlight' concert at Chaucer Centre
- 'Beginners Please' concert at St James Church, Morden involved 64 MYM students (mainly KS2) and around 100 adults (from Chaucer Band and Wimbledon Community Chorus)
- An evening Jazz Event at St Mark's Academy involved around 80 students (mainly KS3/4), in performances by MYM's 2 jazz orchestras, jazz Combo and VoiceBox
- 139 KS2 pupils and 6 staff from 3 schools participated in a 'Blow Out' recorder workshop
- 163 KS2 children and 12 staff participated in a one day 'Recorder Road Show'

4. Singing

- 30 school staff members received training through the 'Young Song Leader' programme
- 480 KS2 pupils from 27 Primary schools (60% of schools) received a series of 3 half day workshops to train them to sing and support singing at their schools in the first phase of MMF's new 'Young Song Leader' programme
- 11 schools submitted a total of 58 entries for the Merton song-writing project - 'A Song to Encourage and Inspire'
- 7 school staff members attended meetings to develop the 'Sing Outside' programme
- 253 children and 12 staff from 7 Primary schools participated in 'Big Sing in the Park'

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2012

EXTENSION ROLES

1. Continuous Professional Development

- 5 school staff received professional support to help support 'River of Life', a multi-arts project
- 42 teachers attended various levels of 'In2Recorder' CPD
- 25 teachers attended a day of CPD on drama, dance and music linked to 'ArtsBeat 2012'
- 22 teachers attended a half day CPD session on The Elements, as part of 'ArtsBeat 2012'
- 5 teachers received bespoke curriculum support
- 8 teachers attended a CPD session on assessment
- 21 MMF tutors attended a CPD session on teaching strategies

The year also included

- CPD delivered for 'Assessment in KS1/2 Music'
- MMF's Advanced Skill Teacher undertook the Royal Opera House's 'Write an Opera' residential course
- Our Deputy Director represented the Federation of Music Services at the European conference in Holland on 'Quality in music teaching'
- Piloting and developing a schools pack to support and enhance instrumental provision in schools

2. Instrument Hire

- The number of instruments on hire during the year was 262
- As part of our MMF Trust Fund scheme free instrument hire provision was provided for 60 children in Merton primary and secondary schools (A small administrative fee was charged)
- Funds generated by our instrument hire scheme were used during the year to support the charity's Trust Fund remission scheme for disadvantaged children
- MMF developed a new partnership with Arts Council England's 'Take it away scheme' with information now included on our website at www.mmf.org.uk. The scheme works by letting individuals spread the cost of buying a musical instrument with an interest-free loan of between £100 and £2,000 over 9 month period

3. Live Music Opportunities

- Orchestra of the Age of Enlightenment activities include live performance by the orchestra and free/discounted tickets to other performances
- The Mayor's Fund for Young Musicians offered discounted/free tickets to our MFYM scholars for a wide range of London concerts
- Approx 250 KS2 Pupils from 7 Merton schools participated in the 'Ring Round The World' composition and performance project (a partnership with English Pocket Opera Company)
- During 'ArtsBeat 2012', 39 half-day workshops were delivered by professional practitioners in 22 Primary schools in Merton
- 90 children took part in 'The River of Life', a multi arts composition project delivered in partnership with English Heritage and Sacred Heart Church
- 37 (82.2%) of Merton Primary and Special schools actively participated in 'ArtsBeat' CPD and accessed a range of resources and musical activities including workshops and performances

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2012

Future Developments

In response to the Government's National Plan for Music Education, MMF has reorganised its charitable services to lead a new Music Education Hub from September 2012 that will provide enhanced music provision locally

With grant funding secured for the period from August 2012 – March 2015, we are now developing a new music education strategy that will see an increase in the level of music provision available in the areas we serve. Central to this will be a focused strengthening of our support for children and young people, some of which are from disadvantaged backgrounds and some of which are from challenging circumstances.

Arts Council England's brief for Music Education Hubs is as follows:

"Hubs will ensure that every child aged 5-18 has the opportunity to sing and learn a musical instrument, as well as perform as part of an ensemble or choir. They will also allow young people to take their talent further – this might be with local ensembles or through partnerships with nationally funded music organisations"

Our Hub will be a partnership of organisations working in the local area that will create integrated music education provision for children and young people, both in and out of school. By creating a strategic alliance of all stakeholders involved in music education, we hope that everyone will play a part in the design of the new Hub and be able to contribute to the best overall plan for the development and strengthening of music education provision in Merton.

MMF as the lead partner organisation will have 4 specific roles:

- 1 To bring together a range of providers and stakeholders committed to the delivery of music education, matched to local needs
- 2 To develop a powerful advocate for and champion the role of music in the development of children, young people, schools, families and the community
- 3 To co-ordinate the funding and bidding processes for music education in Merton
- 4 To monitor and evaluate the quality of provision and levels of attainment and performance achieved by all

Outcomes of the Music Education Hub

It is expected that the new Hub will enhance music provision for schools, children and young people by

- Establishing robust and sustainable provision
- Increasing the breadth of provision
- Increasing access to provision
- Increasing capacity to deliver quality service
- Being more able to meet the needs of all children and young people
- Being more responsive to local and national priorities
- Maximising all available resources
- Ensuring more effective targeting of need and provision of resources
- Ensuring there are progressive pathways for children and young people to develop
- Ensuring inclusion of all children and young people including gifted and talented, those with special educational needs and young people at risk including looked after young people

Further details can be found in our Music Education Hub Business Plan. A downloadable copy will be available from our website during the 2012/13 financial year.

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2012

Financial review

Despite what has been a hard year with serious financial pressures from external grant reductions and the on-going impact of the recession, Merton Music Foundation has still managed to deliver a small surplus of £4,212, supporting the trustees aim of rebuilding the charity's reserves over the next three years

MMF was also successful in a major bid to Arts Council England during 2011/12 to lead a Music Education Hub for Merton. A grant of £491,405 has been secured to support the development of music education in Merton until March 2015 (£136,095 2012/13, £176,132 2013/14 and £179,178 2014/15). The funding is replacement for the DfE Music Education Grant, which has supported the charity since 1999.

Whilst this is clearly good news, we are still facing further grant reductions from central government with a £15K reduction in our Arts Council England grant during 2012/13 and a further reduction of £28K the following year. This will inevitably create challenges for the trustees in protecting the quality and breadth of the charity's services for children and young people over the next two years.

The main trends for 2011/12 were as follows:

Income

- Income was £929,309 in comparison with £1,049,379 for the previous year, a decrease of 11.4%. This was primarily due to reductions in public grants and a reduction in income from lessons caused by the recession. One of our secondary schools also reduced its support for instrumental and vocal tuition due to budgetary problems it was experiencing and financial cuts made internally to its music provision. This resulted in a loss of revenue from almost 100 lessons.
- Donations at £7,398 were down from £15,801. This was largely due to the Foundation's involvement in the 'Big Give' Christmas Challenge, which raised an additional £9,810 during 2010/11.
- Public grants have decreased by 14.5% from £315,541 in 2011 to £269,791 for this year. This was due to reductions in grant levels from the London Borough of Merton and Department for Education which came into effect on 1st April 2012.
- Income from music tuition, Music Centre fees and other similar income streams, was down by 9.2% from £717,984 in 2011 to £652,055, mainly due to the on-going impact of the recession, a smaller tour during the year and the fact that the charity held down its fees to ensure continued public access in the poorer parts of the Borough.
- Investment income showed a return of only £65 on MMF's short-term deposits. This is due to interest rates, which have continued to remain very low during this financial period. Unfortunately, the charity is in a position where grant funding is received quarterly and funding must be applied to support operational use rather than being used for accruing interest from investments. It is our hope to place some of the accruing unrestricted funds on treasury in the future to help readdress this problem.

Expenditure

- Expenditure was £925,097 in comparison with £1,038,481 for 2011, a decrease of 10.9%. The charity has achieved this with careful budgeting and monitoring of expenditure against income.
- The only activities where the percentage of total expenditure increased were professional advice and support to schools, audit and accountancy fees and bank charges.
- Cost of activities in furtherance of the charity's objectives was £869,671 and Governance costs were £55,426.
- Governance costs as a percentage of the total is only 5.6% showing how efficiently the charity operates.

Taking into account income and expenditure, the charity realised an operational surplus of £4,212 for the year (2010/11 £10,898) before revaluations and investment asset disposals.

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2012

Financial position at year end

- Total fund balances were £119,405, consisting of £73,500 unrestricted and restricted funds £45,905
- Restricted funds, principally representing amounts held by MMF for particular restricted purposes within the objects of the charity, amounted to £45,905 and were made up of funds transferred from the Ronald Greenwood Music Trust and funds received from the Federation of Music Services during 2010/11 for the purchase of musical instruments. Expenditure from this second fund has been capitalised within the accounts and is shown in note 15 of the Notes to the Financial Statements
- Unrestricted funds increased from £53,718 in 2011 to £73,500. This increase is in line with the intended reserves policy of covering at least one month's operational costs
- Further increases in income from tuition, music centre and concert receipts are planned for 2012/13, which will help offset the expected reductions in public grants over the next two years (£15K next year and £28K the following year)
- The trustees have agreed with the London Borough of Merton reduced rents on office, teaching and practice space at MMF's base at the Chaucer Centre
- The trustees are also continuing to investigate the possibility of additional income sources from a new arts centre development that will help diversify the charity's income streams

To address the future reduction in government grant-aid, along with an economic climate that remains fragile, MMF will be further reducing costs, maximising efficiency and seeking new opportunities for income generation

Investment Policy

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

The Music Education Grant, which was received from the Government's Department for Education, 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

Reserves Policy

It is the policy of the charity that unrestricted funds, which have not been designated for a specific use, should be maintained at a level equivalent to at least one-month's expenditure. 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. This level of reserves has been maintained throughout the year

Surplus/Deficit

The Foundation aims to make a small surplus year on year. Any projected deficit is managed through regular monitoring meetings between the Chief Executive and Programmes Directors who have operational responsibility for the charity's programmes. If the deficit becomes an actual one the Board of Trustees agree to cover the amount through use of reserves. In this case, the Trustees will undertake through their budgetary planning to project a surplus for the following year

Risk Management

The Trustees have conducted a review of the major risks to which the charity is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate exposure to the major risks the charity faces

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2012

Public Benefit Statement

The Charities Act 2006 requires all charities to consider explicitly how their charitable objectives are carried out for the public benefit, therefore, the Trustees of the charity must ensure that they carry out the objectives of the charity for the public benefit and to report on the charity's public benefit in their Annual Report

The primary object of 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"* In undertaking the charitable objectives of MMF, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The main activities of the charity, and those we try to help, are those for children and young people in and around the London Borough of Merton to whom we aim to provide musical opportunities of the highest standard

Charity trustees have a duty to report in the Trustee's Annual Report on their charity's public benefit

They should demonstrate that

- 1 The benefits generated by the activities of the charity are clear

This report sets out in detail the activities, which Merton Music Foundation has carried out in the year to further its charitable objective,

- 2 The benefits generated relate to the objects of the charity

All activities undertaken are intended to further Merton Music Foundations' charitable objects, as summarised above,

- 3 The people who receive support are entitled to do so according to criteria set out in the charity's objects

All the Foundation's projects are centred on children and young people, some of which are from disadvantaged backgrounds and some of which are from challenging circumstances

The Trustees have therefore satisfied themselves that Merton Music Foundation meets the public benefit requirements and they confirm that they have taken due regard of the Charity Commission's general guidance on public benefit

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2012

Statement of trustees' responsibilities

The trustees, who are also the directors of Merton Music Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare accounts 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 charitable company for that year

In preparing these accounts, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. 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

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information

Auditors

A resolution proposing that WSM Advisors Limited be reappointed as auditors of the company will be put to the members

On behalf of the board of trustees



J R Mander

Trustee
Dated 4/2/2013

MERTON MUSIC FOUNDATION

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF MERTON MUSIC FOUNDATION

We have audited the financial statements of Merton Music Foundation for the year ended 31 August 2012 which comprise of the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet and related notes. 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).

This report is made solely to the charity's trustees, as a body, in regulations made under section 154 of the Charities Act 2011. 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

As explained more fully in the statement of trustees' responsibilities set out on page 12, the trustees who are also the directors of Merton Music Foundation for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The trustees have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

We draw attention to the disclosure made in note 1(11) to the financial statements concerning the future grant funding for the company and the impact on the company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

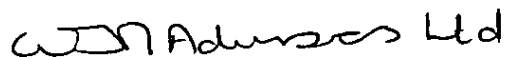
MERTON MUSIC FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF MERTON MUSIC FOUNDATION

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion

- the information given in the Trustees' Report is inconsistent in any material respect with the accounts,
- the charitable company has not kept adequate accounting records, 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
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report



WSM Advisors Limited
Statutory Auditor and Chartered Accountants

Pinnacle House
17-25 Hartfield Road
London
SW19 3SE

Dated 28/2/13

MERTON MUSIC FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2012

	Notes	Unrestricted funds £	Restricted funds £	Total 2012 £	Total 2011 £
INCOMING RESOURCES					
<u>Incoming resources from generated funds</u>					
Activities for generating funds	2	260,177	17,012	277,189	331,342
Investment income	3	60	5	65	53
		<u>260,237</u>	<u>17,017</u>	<u>277,254</u>	<u>331,395</u>
<u>Incoming resources from charitable activities</u>					
Activities in furtherance of the charity's objectives	4	652,055	-	652,055	717,984
TOTAL INCOMING RESOURCES		<u>912,292</u>	<u>17,017</u>	<u>929,309</u>	<u>1,049,379</u>
RESOURCES EXPENDED					
Charitable activities		854,097	15,575	869,672	981,258
Governance costs		55,425	-	55,425	57,223
TOTAL RESOURCES EXPENDED	5	<u>909,522</u>	<u>15,575</u>	<u>925,097</u>	<u>1,038,481</u>
Net incoming resources before transfers, revaluations and investment asset disposals		<u>2,770</u>	<u>1,442</u>	<u>4,212</u>	<u>10,898</u>
Gross transfers between funds	9	17,012	(17,012)	-	-
Net incoming/(outgoing) resources before revaluations and investment asset disposals		<u>19,782</u>	<u>(15,570)</u>	<u>4,212</u>	<u>10,898</u>
Total fund balance at 1 September 2011		53,718	61,475	115,193	104,295
TOTAL FUND BALANCE AT 31 AUGUST 2012		<u>73,500</u>	<u>45,905</u>	<u>119,405</u>	<u>115,193</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006

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

The notes on pages 18 to 27 form part of these financial statements

MERTON MUSIC FOUNDATION

BALANCE SHEET AS AT 31 AUGUST 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	10		51,960		67,934
Current assets					
Stocks	11	1,149		1,746	
Debtors	12	14,905		30,074	
Cash at bank and in hand		186,948		164,678	
		203,002		196,498	
Creditors: amounts falling due within one year	13	(135,557)		(149,239)	
Net current assets			67,445		47,259
Total assets less current liabilities			119,405		115,193
Net assets			119,405		115,193
Income funds					
Restricted funds	15		45,905		61,475
Unrestricted funds	14		73,500		53,718
Total funds carried forward			119,405		115,193

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2012, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The notes on pages 18 to 27 form part of these financial statements

MERTON MUSIC FOUNDATION

BALANCE SHEET AS AT 31 AUGUST 2012

The accounts were approved by the Board on 4 February 2013 and signed on its behalf by



**D J Merriman
Trustee**



**J R Mander
Trustee**

Company Registration No. 02590621

The notes on pages 18 to 27 form part of these financial statements

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005, generally accepted accounting policies in the United Kingdom and the Companies Act 2006

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

1.2 Incoming resources

Incoming resources represent tuition fees and income from concerts and tours, hire of instruments, subscriptions, inset and others 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

1.3 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 payable. 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

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at market value at the date of the gift, less depreciation

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

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

1.5 Leasing and hire purchase commitments

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

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2012

1 Accounting policies (continued)

1.6 Stock

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

1.7 Pensions

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 for 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

1.8 Fund accounting

The funds held by the charity are either

- *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
- *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

P Wooding's bursary fund

These funds have been designated by the charity to support exceptional young musicians at the request of Peter Wooding's family. The fund was established with donations made to the charity. The charity held sufficient cash balances at the year end to allow the funds to be applied as intended.

Greenwood bursary fund

The Greenwood bursary fund was established in 2008 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 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.

Arts Council Funding

The charity received a grant in the year from the Arts Council England. According to the Funding Agreement, the use of the grant is restricted to the agreed activities with the Arts Council. The grant is recognised in the accounts when they are received and applied to the period it relates to.

1.9 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.

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2012

1 Accounting policies (continued)

1.10 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 Her Majesty's Revenue and Customs is also credited to the appropriate fund when received.

1.11 Going concern

The Trustees have prepared the financial statements on a going concern basis on the assumption that the charity will continue to meet its liabilities as they fall due.

The Music Education Grant that was received by the London Borough of Merton from the Department for Education and then allocated to the charity finished on 31 July 2012. The Trustees have successfully received replacement grant funding from Arts Council England and will continue to seek further grant funding from other sources. The Arts Council grant is payable at regular intervals subject to certain conditions. The charity has reviewed its performance for the forthcoming year and believes that they will not breach any funding conditions and the Arts Council grant will be forthcoming. In addition, the Trustees are taking steps to reduce the premises costs of the charity. Merton Music Foundation and London Borough of Merton have agreed a fixed rate for the annual rent charge for the property it uses.

In the event that the Arts Council grant funding is not obtained at any period, the Trustees have restructuring plans which can be put in place and which should enable the charity to continue as a going concern in the event this is in the best interests of the charity.

2 Activities for generating funds

	Unrestricted funds	Restricted funds	Total 2012	Total 2011
	£	£	£	£
Donations				
Donations	7,398	-	7,398	15,801
Grants receivable				
Music Education Services	156,265	-	156,265	291,199
London Borough of Merton	9,300	-	9,300	5,500
Federation of Music Services	68,047	-	68,047	18,842
Arts Council England	-	17,012	17,012	-
LBM School Forum	19,167	-	19,167	-
	252,779	17,012	269,791	315,541
Total grants receivable and donations	260,177	17,012	277,189	331,342

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

3 Investment income

	Unrestricted funds	Restricted funds	Total 2012	Total 2011
	£	£	£	£
Bank interest receivable	60	5	65	53

4 Activities in furtherance of the charity's objectives

	Total 2012	Total 2011
<i>Unrestricted funds</i>	£	£
Tuition fees	527,511	550,882
Hire of instruments	23,537	23,978
Music centre subscriptions	62,016	57,535
Concert and tour receipts	33,210	66,165
Fees - inset	175	5,527
Other income	5,606	13,897
	652,055	717,984

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

5 Total resources expended

	Staff costs £	Depreciation £	Other direct costs £	Allocated other costs £	Total 2012 £	Total 2011 £
Provision of charitable activities						
Instrumental tuition	113,260	-	271,290	14,245	398,795	427,467
Youth music programme	62,907	-	77,810	5,542	146,259	150,911
Tours and concerts	35,792	-	39,294	3,256	78,342	101,717
Professional advice and support to schools	27,449	-	-	-	27,449	26,936
CPD training	26,731	-	-	2,035	28,766	28,876
Project development	100,228	-	15,429	2,035	117,692	169,647
Instrument hire and repair	41,172	15,575	7,482	8,140	72,369	75,704
Total	407,539	15,575	411,305	35,253	869,672	981,258
Governance costs						
Salaries	28,602	-	-	-	28,602	30,314
Pension costs	2,786	-	-	-	2,786	3,004
Audit and accountancy fees	-	-	6,288	-	6,288	5,760
Bookkeeping	-	-	3,498	-	3,498	3,917
Bank charges	-	-	4,561	-	4,561	3,761
Sundries	-	-	212	-	212	169
Depreciation	-	1,745	-	-	1,745	2,125
Allocated support cost	-	-	-	7,733	7,733	8,173
Total	31,388	1,745	14,559	7,733	55,425	57,223
Total resources expended						
Direct charitable expenditure	407,539	15,575	411,305	35,253	869,672	981,258
Governance costs	31,388	1,745	14,559	7,733	55,425	57,223
	438,927	17,320	425,864	42,986	925,097	1,038,481

Included in instrumental hire and repair costs is a total of £15,575 (2011 £17,125) relating to restricted funds

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

6 Trustees

No remuneration or reimbursed expenses were paid to any of the trustees during the year in their capacity as trustees (2011 nil)

7 Employees

Number of employees

The average weekly number of employees during the year was

	2012 Number	2011 Number
Trading operations	11	11

Employment costs

	2012 £	2011 £
Wages and salaries	365,658	367,362
Social security costs	28,733	27,607
Other pension costs	38,958	39,849
	<u>433,349</u>	<u>434,818</u>

The number of employees whose annual remuneration was £60,000 or more were

	2012 Number	2011 Number
£60,000 to £70,000	1	1

Of the employees whose emoluments exceed £60,000, 1 (2011 1) has retirement benefits accruing under defined benefit pension schemes. A total of £8,462 (2011 £8,462) was paid to the Teachers' pension Scheme in the year for this employee.

8 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 2012

9 Net incoming/(outgoing) resources for the year	2012 £	2011 £
This is stated after charging		
Staff pension contributions	38,958	39,849
Depreciation of tangible assets	17,319	22,645
Loss on disposal of tangible assets	80	-
Auditors' remuneration		
- as auditors	3,600	3,600
- other services	2,448	2,160

10 Tangible fixed assets	Office equipment £	Computer equipment £	Musical instruments £	Total £
Cost				
At 1 September 2011	26,391	27,643	168,423	222,457
Additions	590	-	835	1,425
Disposals	-	-	(80)	(80)
At 31 August 2012	26,981	27,643	169,178	223,802
Depreciation				
At 1 September 2011	23,204	24,442	106,877	154,523
Charge for the year	944	800	15,575	17,319
At 31 August 2012	24,148	25,242	122,452	171,842
Net book value				
At 31 August 2012	2,833	2,401	46,726	51,960
At 31 August 2011	3,187	3,201	61,546	67,934

11 Stocks	2012 £	2011 £
Stock	1,149	1,746

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

12 Debtors	2012 £	2011 £
Trade debtors	5,515	20,865
Other debtors	9,390	9,209
	<u>14,905</u>	<u>30,074</u>

13 Creditors: amounts falling due within one year	2012 £	2011 £
Trade creditors	11,034	20,897
Accruals and deferred income	112,043	117,179
Other taxes and social security	8,627	8,328
Other creditors	3,853	2,835
	<u>135,557</u>	<u>149,239</u>

14 Unrestricted funds

	Movement in funds			
	Balance at 1 September 2011	Incoming resources	Resources expended	Balance at 31 August 2012
	£	£	£	£
P Woodings bursary fund	5,363	3	-	5,366
General fund	48,355	912,289	(909,522)	68,134
	<u>53,718</u>	<u>912,292</u>	<u>(909,522)</u>	<u>73,500</u>

The transfer related to the grant from the Arts Council which is applied to the charitable expenses in the year

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes

	Movement in funds				
	Balance at 1 September 2011	Incoming resources	Resources expended	Transfers	Balance at 31 August 2012
	£	£	£	£	£
Greenwood bursary fund	9,625	5	-	-	9,630
Federation of Music Services	51,850	-	(15,575)	-	36,275
Arts Council Funding	-	17,012	-	(17,012)	-
	<u>61,475</u>	<u>17,017</u>	<u>(15,575)</u>	<u>(17,012)</u>	<u>45,905</u>

The Arts Council England made a grant available to the charity during the year. The use of the grant has no specific restrictions, however the funding is subject to the charity delivering the agreed activities within the core roles and extension roles as highlighted within the Trustees' Report. The funds received in the year have been transferred to the general fund.

16 Analysis of net assets among funds

	Unrestricted funds	Restricted funds	Total 2012	Total 2011
	£	£	£	£
Fund balances at 31 August 2012 are represented by				
Tangible fixed assets	15,685	36,275	51,960	67,934
Net current assets	57,815	9,630	67,445	47,259
	<u>73,500</u>	<u>45,905</u>	<u>119,405</u>	<u>115,193</u>

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

17 Commitments under operating leases

At 31 August 2012 the company had annual commitments under non-cancellable operating leases as

	2012 £	2011 £
Expiry date		
Between two and five years	3,570	3,570

18 Related parties

J R Mander is employed by the charity as Chief Executive Officer J R Mander is also a member of the board of trustees

19 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

20 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 Educational 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 2002, 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 £38,958 (2011 £39,849) during the year and £nil (2011 £nil) was outstanding at the year end

21 Control

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