

Merton Music Foundation

(A Charitable Company Limited by Guarantee)

Annual Report and Financial Statements

For The Year Ended 31 August 2014

Charity Number: 1004122

Company Number: 02590621 (England and Wales)

WEDNESDAY



A42XTKLT

A34

11/03/2015

#115

COMPANIES HOUSE

MERTON MUSIC FOUNDATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

Contents	Pages
Reference and administrative details	1
Report of the trustees	2
Statement of trustees' responsibilities	18
Independent auditors' report	19
Statement of financial activities (including income and expenditure account)	21
Balance sheet	22
Notes forming part of the financial statements	24

MERTON MUSIC FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name	Merton Music Foundation
Other names the Charity is known by	MMF, Merton Music
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:

Ian Newman	Chair of Trustees
John Mander	(Also Company Secretary)
Michael Collins	
Clive Grinyer	(Appointed 21/10/2014)
Doreen Hewitt	
Edward Hickman	(Appointed 21/10/2014)
Rachel Jacob	
Ana Sallavuard	(Appointed 21/10/2014)
Kevin Watkiss	(Appointed 21/10/2014)

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

Advisers

Auditors	WSM Advisors Limited, Chartered Accountants & Registered Auditors Pinnacle House, 17-25 Hartfield Road, Wimbledon, London SW19 3SE
Bankers	Lloyds Bank plc, 83 High Street, Walton-on-Thames, Surrey KT12 1DU
Solicitors	Bates, Wells & Braithwaite Scandinavian House, 2-6 Cannon Street, London EC4M 6YH

MMF is a member of the following national music organisations:

The UK Association for Music Education – Music Mark
Making Music

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2014

Chair's introduction

Merton Music Foundation has been the lead partner for the Merton Music Education Hub since August 2012 as part of the nationwide network of 123 music education hubs receiving grant funding from Arts Council England. Our 'hub' is a local partnership of organisations aiming to provide coherent music education and performance opportunities for children and young people both within and beyond their schools and colleges. The hub has also been able to support adult community groups. I am delighted to report that despite significant challenges in the past year, MMF has worked creatively, tenaciously and ambitiously with all its partners and made significant progress in all areas in order to fulfil its mission as a charity.

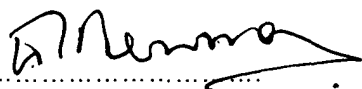
This mission translates into ensuring that every child from age 5 has the opportunity to learn a musical instrument, providing opportunities to play in ensembles, creating clear and affordable progression routes and consolidating a singing strategy for schools. Thus teachers in schools are a critical partner - an integral part of our work is their professional development, whether working alongside our staff in the delivery of tough and exciting projects (e.g. teaching primary pupils to coach their younger peers to sing) or attending our specialist courses.

Our delivery of these priorities is detailed elsewhere in this report. In brief, it is impressive, inclusive, inspiring and effective, catering for every level from beginner to advanced, through bands, orchestras, string groups, jazz groups and choirs. Almost every school in Merton has benefited directly from MMF support, and over 30,000 instrumental and singing lessons were provided in borough schools and music centres in a variety of formats. Over a hundred students eligible for Free School Meals were supported by our charitable trust fund and a scheme to reduce tuition costs for 'new beginners' has increased numbers taking up small group lessons. Music Centre Scholarships are offered where appropriate and our talented and gifted students are encouraged to access advanced training with national organisations. The buzz, commotion and engagement of children, staff and parents shine through at our Saturday and midweek Music Centres and reflect what we are about and what we wish to continue to be. This energy is our inspiration and drives our ambition.

Our commitment to working with and performing for the community is clear from our participation in the Wimbledon International Music Festival - the 'Jump into Jazz' workshop was a particular highlight - and by outreach support for ensemble groups for adults and students over the age of 21 - Wimbledon Community Chorus, Wimbledon Community Orchestra and the Wandle Band. Inclusivity is central to our philosophy as a charity - we are therefore delighted to see further partnership work with the Orchestra of the Age of Enlightenment now benefitting a SLD/PMLD school and future developments planned with Merton Mencap.

I would also like to thank the FMYM parental team for their continued dedicated support for our organisation, planning and fundraising and would wish to put on record trustees' deep appreciation of their hard work. Particular thanks must go to FMYM's outgoing chair, Nikki Brown, and vice chair, Carina Downey, for their brilliant and imaginative commitment for so many years. My first report as chair of trustees would not be complete without recording the Foundation's debt to my predecessor, David Merriman, whose dedication, loyalty and wisdom over so many years have been vital to our consolidation and development. He will be an honoured guest at our sixth Music *is* for Life concert to be held next year at the Royal Albert Hall. The evening will again showcase all that is best about MMF - partnership, collaboration, inclusion and enjoyment involving well over a 1,200 pupils of all ages, abilities and backgrounds - *make a space in your diary now for April 21st 2015!*

Finally, I have to congratulate John Mander, our Chief Executive, and his team for their constant care, unwavering optimism and creative energy, which push the foundation to adapt, grow and serve our borough and community to a very high standard in complex and challenging times.



Ian Newman
Chair of Trustees
Merton Music Foundation

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2014

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 2014.

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.

Our aims, mission and vision

Aims

Merton Music Foundation (MMF) aims to promote and support the highest quality music education for ALL. Our charitable objective 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"*

Mission

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

Vision

Our vision reflects the aspirations of the **National Plan for Music Education** - 'The Importance of Music'. Published in November 2011, it sets out the Government's vision for music education - to enable children from all backgrounds and every part of England to have the opportunity to learn 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.

Music Education Hubs

Merton Music Foundation is the lead partner for the Merton Music Education Hub, part of a national network of 123 music education hubs established in 2012. The Hub is a partnership of organisations committed to delivering the aims of the National Plan for the children and young people of Merton. As lead partner for the Hub, MMF works closely with its various partners to deliver the National Plan for Music Education through the activities that are detailed below.

Core Roles

1. **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
2. **Ensembles** - Provide opportunities to play in ensembles and to perform from an early stage
3. **Progression** - Ensure that clear progression routes are available and affordable to all young people
4. **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

1. **Continuous Professional Development** – CPD for school staff, particularly in supporting schools to deliver music in the curriculum
2. **Instrument Hire** - Provide an instrument loan service, with discounts for those on low incomes
3. **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

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2014

Working in partnership

Led by the Merton Music Foundation, the charity's Hub programme is a collaboration between key local, regional and national music and arts organisations working together to create joined up, high quality music education in and out of school. The key overriding aims of our partnerships are to broaden and increase the opportunities for music making for *all* children and young people in the region, regardless of their background or personal circumstances; and to raise the standards of music provision to the highest levels possible.

Our partners during the 2013/14 financial year included Be Creative, Crown Lane Studio, Merton Children, Schools and Families Department, Mayor's Music Fund, Merton Schools Forum, Orchestra of the Age of Enlightenment, Polka Theatre, Wimbledon International Music Festival and Wimbledon Civic Theatre Trust. 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.

Achievements and performance

The following summary provides an overview of our achievements and performance against the National Plan for Music Education's Core and Extension Roles. The information is taken from our Annual Data Return to Arts Council England for the 2013/14 academic year.

CORE ROLES

1. First Access

MMF's First Access opportunities included a range of music making programmes for pupils from all phases, including provision for Special Schools.

- 1,494 pupils from 25 Merton schools benefitted from First Access instrumental programmes
- 15 Whole Class Ensemble Tuition (WCET) projects were delivered for Primary Schools and 5 projects in Secondary Schools, including one independent school and one Special School. 687 pupils from 16 Merton Primary, Secondary and Special schools received WCET programmes
- 16 recorder projects were delivered by class teachers for Primary schools – this was enabled by training delivered by Merton Music Foundation two years ago. 807 Primary children benefitted from MMF's 'In2Recorder' programme in schools across the borough
- Instruments taught covered a wide spectrum of violin, viola, cello and double bass; trumpet and trombone; clarinet and flute; djembe, mixed percussion and samba
- 18 KS2 and Year12/13 students from a SLD/PMLD Special School started work with The Orchestra of the Age of Enlightenment on a WCET type programme with funding from Youth Music to run over three years. (Further details of this will feature in our 2014/15 Annual Report)
- For the first time this year, MMF delivered a whole class contemporary project in year 10 at St Mark's CofE Academy. This was to enable pupils who had never learnt a musical instrument the opportunity to take GCSE music. In order to plan for future GCSE classes, the school also started a Year 7 brass project. Both of these projects have continued into 2014/15

Improving access for schools to the programme

Having reviewed the WCET scheme and consulted with schools over the previous academic year, changes were made to make whole class tuition more accessible to schools. We decided that a 30-week project was too long for children to be playing one instrument, so offered schools a 'flexible routes' programme.

Some schools opted to have 20 weeks of djembe followed by a 10-week project on a melodic instrument. This enabled pupils to develop general musicianship skills through drumming, giving them a firm foundation before moving on to more challenging instruments. Other schools opted to start with melodic instruments for 20 weeks and provide pupils with 10 weeks of drumming for the summer term. For schools of 3-form entry, MMF has designed a 45-minute project in order to fit the classes into a single morning or afternoon.

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2014

2. Ensembles

Merton Music Foundation provides a comprehensive range of ensemble opportunities as part of its Youth Music programme - 21 regular ensembles, instrumental and choral, from beginner to advanced level.

- 25 members of VoiceBox and our Youth Concert Band received a 'Jump into Jazz' master-class in jazz for beginners, under the 'Jump into...' initiative. One of these students is to join the Merton Youth Jazz Orchestra as vocal soloist in 2014/15
- Members of Merton Young Voices, VoiceBox and St Teresa's School choir performed at the ArtsBeat 'Everyone Sang' event with the Wimbledon Community Chorus and London Vocal Project at St Mark's Academy, led by Pete Churchill
- 375 KS2 pupils from 15 Primary schools received a series of choral workshops as part of the Young Song Leader programme. 29 schools participated in the 'Road to Tomorrow' song relay, culminating in a massed choral performance for the Mayor of Merton
- 205 KS2 pupils participated in the 'Momo' project, culminating in a series of interactive performances at the Polka Theatre
- 60 KS2 pupils from two local Primaries schools received three half-day workshops in preparation for performance in the Mayor of Merton's Carol Service. MMF Brass players and members of its Jazz Combo and rock group also participated in this event
- The Orchestra of the Age of Enlightenment worked with two 'associate' Merton schools again last year (Cranmer and Merton Park Primary Schools. Details shown under Partnership Development)
- 18 pupils at Perseid School received regular workshops during the year, to develop a WCET project which formed year one of an innovative three year programme focusing on strings
- Beginner ensembles consolidated for brass and wind players. New ensembles established for Intermediate Guitar Ensemble. Jazz Combo and Rock Styles, all now with flourishing repertoire.
- Senior players invited to participate in OAE COSMOS (composing and performing a live film score at the Royal Festival Hall) over 3 days with students from Merton, Wandsworth and Camden
- Regular performance opportunities provided for junior, intermediate and senior Music Centre members with concerts in a range of venues including schools, churches and at high profile events like the Wimbledon Tennis Championships

3. Progression

The National Plan for Music Education promotes the importance of every child between age 5 and 18 having the chance to learn a musical instrument and/or sing through structured activities. As part of this there is a strong emphasis on musical progression with all children - regardless of background - having the opportunity to sing and play in larger ensembles, every school providing singing opportunities and aspiring towards having an orchestra or large-scale ensemble.

This year we have focused on strengthening progression routes within our operations area. We do this by actively promoting Whole Class Ensemble Tuition and Recorder programmes to schools (including independent). This introduces children to WCET instrumental and vocal music making as part of the school curriculum.

Following these free taster sessions, we promoted opportunities for children and young people to take up learning an instrument at their school or at Music Centres through lessons which are paid for by parents.

Skills progression for this can be developed in a number of different ways.

- By continuing with lessons in school with tutors provided by MMF or other providers

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2014

- By joining school run bands, choirs or orchestras
- By joining community led bands, choirs or orchestras
- By joining MMF's centrally provided ensembles where we provide a structured programme of music making activities that provides children with pathways leading into our Saturday Music Centre and then onto our more advance Youth Music provision which is held on Monday and Wednesday evenings.

As a Music Hub, we also link with other providers who offer progression routes for young people to further their playing opportunities. This includes all of the nationwide ensembles such as the National Youth Orchestra, National Youth Brass Band and National Youth Wind Ensemble.

Delivery during year included:

- The production of a First Access video called 'Merton Music Foundation - In2Music - First Access Opportunities'. This was made by a former student of MMF and can be seen on our YouTube channel
- The launch of our first Magnet Centre catering for 69 KS1/2 pupils learning keyboard, ukulele and guitar in groups of 5-6. The Centre was oversubscribed and well received by parents – most children continuing in to 'Beginner Plus' classes for the second year
- Development of a new Intermediate Guitar ensemble in response to an influx of numbers in to the Beginner group as a result of first access opportunities Magnet Centre at St Teresa's Primary School
- Further projects with the Orchestra of the Age of Enlightenment who worked with two 'associate' Merton schools as part of their education programme (Cranmer and Merton Park Primary Schools)
- 18 pupils at Perseid School received regular workshops to develop a new WCET project, which formed year one as part of an innovative three-year programme focusing on strings
- Over 90 members of the Wimbledon Community Chorus received weekly rehearsals and gave 3 local public performances, including the ArtsBeat' Everyone Sang' concert in a joint concert with the W10 Chamber Choir
- Ongoing support was provided for two instrumental groups set up in partnership with MMF - Wandle Band and Wimbledon Community Orchestra with the aim of offering strengthened pathways into adult learning

4. Singing Strategy

During the year, we worked with 41 primary schools and 3 secondary schools to develop singing strategies.

MMF's Programmes Director is directly responsible for the on-going development, management and much of the delivery of 'With One Voice', MMF's Singing Strategy. She holds three meetings a year for school-based Primary Music Coordinators, which always include an element of singing Continuing Professional Development (CPD).

Delivery included:

- Music Coordinators and Secondary Music Leaders were emailed regularly (often weekly) with updated information on recommended resources, opportunities for CPD ('in house' and through nationally recognised organisations like Sound Connections, Sing Up and the Voices Foundation), performance projects and other aspects of professional practise (e.g. advice on how to start or develop a school choir). The Programmes Director and Advanced Skills Teacher (AST) have also given on-going informal advice to specific teachers on supporting singing and choral development
- Singing is an important element of the 'In2Music' WCET programme and delivery tutors are given help and resources to incorporate into their planning

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2014

- The Programmes Director has further revised 'Sound Ideas', a comprehensive and progressive programme of study which places singing at the heart of early musical development and this is available free of charge to all teachers in the borough (now online in blog form)
- Membership of MMF's MYV KS2 choir (for K2 and KS3+) has remained strong. One area to be addressed is the lack of boys within the VoiceBox senior choir. The Programmes Director has met with new Heads of Music at two local boys schools, where a new boys project choir is planned for 14-15 and a new 6th Form choir is due to start in 2014/15, led by MMF practitioners
- Key Stage 2 pupils from two schools rehearsed and recorded a set of 6 'SEAL' songs for use in all Merton Primary schools
- 205 Key Stage 2 pupils participated in the 'Momo' project, culminating in a series of interactive performances at the Polka Theatre
- 60 Key Stage 2 pupils from 2 local Primaries schools received 3 half day workshops in preparation for a performance in the Mayor of Merton's Carol Service
- A number of Merton schools participated in mass performances at the O2 Arena

EXTENSION ROLES

1. Continuous Professional Development (CPD)

CPD / SUPPORT FOR SCHOOLS

- 36 teachers attended a series of CPD sessions on the new Primary curriculum and changes for September 2014
- Three meetings were provided for Primary Coordinators with 23 attendees. Topics included how to support and increase instrumental tuition in schools and playground games, Song share and an update on projects and new resources
- Bespoke meetings were held with Heads of Music at 7 Merton Secondary schools
- Our Programmes Director led 'model teaching' at Raynes Park High School SEN base
- AST and Programmes Director delivered bespoke CPD to 10 teachers from 10 schools (auditing resources, progression, curriculum planning, constructing composition projects, evaluation /assessment)
- Support was provided for staff and students from Perseid and Cricket Green Special Schools, and Smart Centre as part of our School Music Education Plan this year
- 250 Post Graduate and 1st Year Primary teaching students received a series of 7 lectures on music as part of their course at Roehampton University (Programmes Director and Curriculum Leaders Team member)

TUTOR WORKFORCE

- 4 members of Backstories Song Squad shadowed the Programmes Director during choral workshops and attended 2 full day workshops to plan for delivery of the Backstories Artist in Residence project
- MMF's Curriculum Team offered ongoing informal advice / guidance to tutor work-force
- Support was provided to tutors leading / co-leading Merton Youth Music ensembles
- Our Programmes Director led Special Education Needs training for the Ealing Music Hub Conference

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2014

SCHOOL MUSIC EDUCATION PLANS

We supported 43 Primary schools and 8 secondary schools as part of our School Music Education Plan.

The school educational plan has been devised and in the first term (Summer 2014) the offer was sent to schools. It was built on MMF's current practice. All schools have been offered subsidised after school music clubs, and a half-day of MMF time for workshops, support or training. This has been well received and many schools have booked consultation time for Autumn 2014 and have negotiated after school provision.

First Access

- New 'Magnet Centre' group teaching initiatives at St Teresa's Primary School and Crown Lane Studio have proved very successful, engaging new pupils – both centres are currently over-subscribed
- Reorganising the times and format of 'Hands On' sessions has seen an increase in Music Centre membership
- Schools continue to book up for a range of In2Music WCET programmes, with the one term and variable models proving more popular

Routes for Progression

- The low continuation rate after WCET (just under 5%) and from other free or heavily subsidised programmes continues to be a concern. The 'Magnet Centre' model has proved successful but is very complex and time-consuming to run. However, MMF will continue work with schools and other partners to explore alternative ways to set up more satellite magnet centres across the borough during 2014/15

Ensembles

- MMF continues to provide a range of ensembles through its Youth Music Programme and has responded to parental requests for a beginners 'Flexiband', to cater for young players unable to access the Saturday centre. The Programmes Director is collaborating with local Secondary school leaders to set up and deliver a 6th Form, cross-borough mixed voice choir and a new boy's project choir during 2014/15. MMF is responding to more requests from schools to help provide after-school 'club' activities, including percussion and orchestra groups

Singing Strategy

- The 'With One Voice' singing strategy continues to be at the heart of Primary music provision, development and support, with an on-going stream of CPD, resources and a range of choral project opportunities. The setting up of more mixed voice choirs and opportunities to engage more boys with singing has involved holding a number of challenging conversations with local Heads of Music and continues to be a key focus area throughout 2014/15

2. Instrument Hire

- Competitive instrument hire scheme provided to support learning
- 278 instruments hired during 2013/14. Students eligible for Trust Fund support hired at no cost other than a termly administration fee of £12
- WCET programs supported with 1,494 children having access to instruments provided through MMF
- Partnership with Allianz Insurance provided discounted cover for parents hiring through MMF
- MMF continued to promote Arts Council England's 'Take it away scheme' with information 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 a 9-month period

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2014

3. Live Music Opportunities

LARGE SCALE / HIGH QUALITY MUSICAL EXPERIENCES

- Members of our Merton Youth Music programme gave four concerts to parents and supporters over the year at St Mark's Academy. Other events included MYJO and Concert Band performing at the Wimbledon Championships, members of the Saxophone Ensemble were invited to the Mayor's end of year celebration and various OAE partnership concerts given and attended
- 205 KS2 pupils from 5 schools performed in the 'Momo' Project at Polka Theatre
- 60 KS2 pupils from 2 schools performed at the Mayor of Merton's Carol Service
- Members of Merton Young Voices, VoiceBox and St Teresa's school choir performed at the ArtsBeat 'Everyone Sang' event with the Wimbledon Community Chorus and London Vocal Project at St Mark's Academy, led by Pete Churchill
- 375 KS2 pupils from 15 Primary schools received a series of choral workshops as part of the Young Song Leader programme. 29 schools participated in the 'Road to Tomorrow' song relay, culminating in a massed choral performance for the Mayor of Merton
- Our on-going partnership with Orchestra of the Age of Enlightenment provided evening workshop sessions across two terms and then an all day workshop on brass and string repertoire. Senior players were invited to participate in OAE COSMOS (composing and performing a live film score at Royal Festival Hall) over 3 days with students from Merton, Wandsworth and Camden

Partnership development

Members of our Senior Leadership Team have met formally and informally with all of our Hub partners over the year to ensure that the focus for our activities is clearly established and targeted where appropriate. The focus for our hub work is on developing connectivity with selected partners who can strengthen and broaden the reach of our education work.

To date this has included:

- Continued partnership work with the Wimbledon Civic Theatre Trust to deliver a range of arts projects with a particular focus on the most vulnerable high school aged students in a variety of formal and informal local settings (schools, youth groups, voluntary support groups, etc.)
- Continued partnership with jazz musician and educator Pete Churchill and the London Vocal Project to further develop, extend and support delivery of MMF's 'With One Voice' singing strategy in Primary and High schools
- On-going positive relationships with LBM officers and Merton Head Teachers to ensure continued high quality support for curriculum music in schools, (This has included provision of CPD for the Borough, Curriculum Leader support, and input through Schools Forum and Hub meetings)
- Continued development of partnership work with Polka Theatre as part of Filament Theatre's 'Momo' production and MMF's Backstories Project
- New partnership with 'Be Creative', now a full Hub partner, focused on the Backstories Project, including providing 40 half-day song-writing workshops to over 1,000 KS2 pupils
- Continued strategic links with Hub partner Crown Lane Studio to assist in the development and delivery of a range of projects, and the production of resources for projects and curriculum support

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2014

- New development of 'London School of Percussion' at Crown Lane Studio for lessons on Saturdays, and after school discussions and planning with Wimbledon International Music Festival about project development for 2014/15
- Continued partnership work with the Orchestra of the Age of Enlightenment
- Continuation of partnership initiatives with Wandsworth and Camden Music Service, in particular joint COSMOS activities with the OAE, to support the development of string players across the area
- Continued support of three community music-making groups, Wimbledon Community Chorus, Wandle Band and Wimbledon Community Orchestra (lending of music, professional services of Programmes Director to conduct WCC, shared performance opportunities)
- Collaboration with the Mayor's office to provide local performance opportunities (e.g. at the Mayor of Merton's Christmas celebration, ArtsBeat Festival and the Mayor's leaving event)
- A successful first year of newly formed Music Magnet Centre at St Teresa's RC Primary School meeting the first access needs of 69 KS1/2 pupils
- Development of a new partnership with Roehampton University to deliver lectures to Post Graduate and 1st Year Primary teaching students

Research and development

MMF has been exploring the potential of Research and Development (R&D) benefits since 2012 with the aim of moving our in-house systems into the Cloud.

During the 2013/14, this has included updating our ageing Microsoft Office systems and migrating them to Office 365. This has been possible thanks to the support of the Technology Trust, who work in partnership with the not-for-profit technology capacity-building organisation TechSoup. Through this programme, eligible UK-based charities are able to request donated technology products from a wide range of technology partners. In MMF's case, we have been able to benefit from software donations from Microsoft.

During the year, in addition to upgrading our internal office systems, we have also launched a new Content Relationship Management (CRM) backend to our website that uses open source technology to promote and administer the charity's operations. The website is hosted on the servers of a major hosting company who provide free support for charity websites, regardless of size, in exchange for an acknowledgement on their website.

The outcomes of development in this area now include:

- The provision of a cloud based administrative system that manages MMF's Music Centre activities and has the ability to reclaim Gift Aid on all donations and eligible membership fees
- A secure online payment system for parents and carers paying for music tuition
- A cloud based membership system that is able collect fees for children attending our Music Centre and Merton Youth Music activities
- Ability to collect data and feedback from all of our various client groups
- General information on the charity's operations, its Hub partners and our various Hub related activities
- Sign posting of progression opportunities within the area we serve
- Downloadable music education resources to support our singing strategy in schools. (This has included audio, video and downloadable teaching resources for the ArtsBeat Festival during 2013/14)

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2014

- Composition blogs for our projects including resources for rehearsals and performances (This has included audio tracks, video footage, photographs, YouTube links and cross-curricular extension planning). The use of a main project blog linked to our website is integral to the delivery of our Backstories project for 2014/15
- Newsletters and email messaging for all of those signed up to the site. We have also developed our social media communications with the use of Twitter, Facebook and YouTube during 2013/14

Further details of our achievements and performance can be found in our Music Education Hub Business Plan. Copies can be downloaded from our website at www.mmf.org.uk.

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 through our Business Plan and reporting to Arts Council England. 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 of the National Plan's Core and Extension role areas 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 for the following financial year.

Delivery

Executive responsibility for delivery rests with the Chief Executive and the Senior Leadership 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 within the region. At the heart of this development is the Merton Music Education Hub, which builds on the existing structure of local, regional and national partnerships and levers support for the charity's various education activities.

Volunteers

FMYM meet regularly to administer the affairs of their charity, to arrange fund-raising events to support the work of Merton Music Foundation, 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 Youth Music groups.

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2014

Plans for the future

We intend to continue to deliver our 2012-15 operational plan during the coming year, but with some additional activities following successful applications to Arts Council England's Lottery-funded grant programme 'Grants for the Arts'. These changes are in our latest Business Plan, which will be published in January 2015.

We are now actively preparing for future development of the charity's operations beyond April 2016. To help support this we have identified six key focus areas for the coming year.

1. Deliver Arts Council target areas for development in 2015/16

- Establish a working relationship with our local Bridge organisation (A New Direction)
- Further strengthen our links with the two National Portfolio Organisations (NPOs) we work with (Polka Theatre and the Orchestra of the Age of Enlightenment)
- Engage with Arts Award and, where appropriate, support schools to achieve an Artsmark
- Increase the continuation rate of pupils progressing from WCET to the Foundation's individual and group tuition programme

2. Review our current accommodation needs (both administration and ensemble activities) and make changes that will enhance our charity's operations

- Streamline our administration and storage needs making such changes that are necessary to improve the efficiency and cost of providing support for the charity's operations
- Reduce system dependency on 'in-house' office based systems and migrate them to the Cloud so that shared working is possible across multi sites in the future
- Find ways of enhancing performance and rehearsal spaces for ensemble activities so that our members have more aesthetically and appropriate environments to make music in
- Increase the amount of time available for our activities to take place and develop new income generation possibilities through the use of specialised tuition spaces
- Continue to work closely with Crown Lane Studio exploring opportunities for increased partnership working and shared accommodation use
- Complete discussions with Morden Baptist Church about new partnership arrangements for 2014/15 and the use of MBC as a regular performance space

3. Confirm partnership arrangements for 2015/16 and begin to prepare the ground for Hub development post April 2016

- Confirm that grant funding is in place from all our core funders for the 2015/16 financial year
- Ensure pledges are confirmed for all partners wishing to work as part of the Charity's Music Education Hub programme during the 2015/16 financial year
- Review the effectiveness of current partnership arrangements and identify any new partners who could help support the next stage of our hub development beyond 2016
- Begin the process of exploring ways in which funding can be secured to deliver new partnerships from 2016-20 and start planning potential projects that could be delivered during this period

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2014

4. Continue to strengthen our profile as an independent charity

- Continue to position ourselves as an independent charity that is able to challenge, protect and advance the quality of music provision for children and young people in the area(s) we serve
- Develop a stronger online presence ensuring that the Foundation's aims, objectives and mission are more clearly messaged to the various client groups we work with
- Strengthen our messaging and interaction with the public through the coordinated and interactive use of social media
- Search out new partnerships with businesses that will be beneficial to our charity's operations and development
- Seek feedback from the users of our charity's services that will help inform our next strategic review and development of the business plan for 2016-20

5. Fundraising and Marketing Development for the Hub programme

- Investigate the potential for working with an experienced charity fundraising advice, support and promotion service to help unlock new income generation possibilities
- Undertake a review of our fundraising performance, activities, resources and position
- Create a fundraising and marketing skills programme that will support hub development from April 2016 onwards
- Source interim fundraising and marketing support to help develop our charity's fund raising profile
- Identify the most appropriate staff development methods that will embed this development into the everyday practice of the charity

6. Begin the process of succession planning and future development of the charity from 2016-20

- Strengthen the charity's Management Board by increasing the number of trustees serving on it during the 2014/15 financial year
- Develop a succession plan that will outline the future direction of the charity's management structure from September 2015 onwards. Plan to examine the core managerial competencies that will be required to support this development (skills, knowledge and attributes)
- Start to undertake a needs analysis that will examine the charity's future goals and strategies for 2016-20 based on information and direction received from government and other relevant agencies. Outcomes to be used to inform the charity's next business plan for 2016-20
- Identify the job roles that will be critical to achieving these objectives and strategies, and the kind of employee skills that will be required, particularly in the key management areas of the charity

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2014

Financial review

Whilst 2013/14 has continued to be a challenging year economically, we are pleased to be able to report that we have been able to reverse the trend we encountered during 2012/13 and add to our general funds this year. This is despite continuing to see reductions in our public funding continuing with a reduction of £22K during 2013/14 (reduction of £15K in 2012/13).

The main headlines for the year are as follows.

- Income decreased to £924,281 (2013: £971,276)
- Expenditure on charitable activities also decreased to £901,676 (2013: £991,601)
- Net assets, increased by £22,605 to £121,685

Income

- Income was £924,281 in comparison with £971,276 for 2013, a decrease of 5.1%. This was mainly due to there not being a tour during the year.
- Donations at £23,342 were down on 2013 (£31,315). This was mainly due to Gift Aid, which was reclaimed during 2012/13 on donations and membership for the previous three years.
- Public grants increased in total by 1.5% from £252,229 in 2013 to £256,109 for this year. This was due to an increase in grant levels from funding received from the Department for Education via Arts Council England during 2013/14.
- Income from music tuition, Music Centre fees and other similar income streams, was down by 6.2% from £687,667 in 2013 to £644,770. This was largely due to the ongoing effects of the recession, there being no tour during the year and a 25% membership discount that was offered to siblings joining Music Centre during 2013/14 (2013: £10 sibling discount). This promotion has already seen an increase in numbers joining Music Centre during 2014/15 with the result that numbers are gradually returning back to 2011/12 levels.
- Investment income showed a return of only £60 on MMF's short-term deposits. This is due to interest rates, which have continued to remain very low during this financial period.

Expenditure

- Expenditure was £901,676 in comparison with £991,601 for 2013, a decrease of 10%. Much of this was due to planned savings on staffing costs, and reduced costs of partnership and special project activity during the financial year.
- Cost of activities in furtherance of the charity's objectives was down by £92,186 to £841,639 (2013: £933,825) and Governance costs increased slightly to £60,037 (2013: £57,776).
- Governance costs, as a percentage of the total is only 6.6% showing how efficiently the charity continues to operate.

Taking into account income and expenditure, the charity realised an operational gain of £22,605 for the year (2012/13: deficit of £20,325) before revaluations and investment asset disposals.

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2014

Financial position at year end

Total fund balances were £121,685 (2013: £99,080), consisting of £69,183 unrestricted and restricted funds £52,502.

- Restricted funds, principally representing amounts held by MMF for particular restricted purposes within the objects of the charity were primarily made up of funds transferred from the Ronald Greenwood Music Trust, funds received from the Federation of Music Services during 2010/11 for the purchase of musical instruments, and funds received from Arts Council England for the charity's Backstories Project. Expenditure from the second fund had been capitalised within the accounts in prior years and is now reduced by depreciation associated with these capitalised assets. This is shown in note 17 of the Notes to the Financial Statements.
- Unrestricted funds increased from £60,322 in 2013 to £69,183. Plans were in place to realise a surplus this year and this was achieved as planned.

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 the Board of Trustees agree to cover the amount through use of reserves.

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, which was received from the Department for Education via the Arts Council England, is specifically allocated to the expansion and development of the Foundation's music education services.

The Trustees do not consider it prudent to invest funds in stocks and shares, which are designed for the longer term. 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 operational 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 and contingency savings made. The policy is reviewed annually by the Trustees and the level of reserves assessed in light of prevailing conditions and known risks to the Charity's sources of funds.

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 2014

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 nine directors, from a variety of professional backgrounds, who are responsible for the overall 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. All trustees receive a quality standards document that outlines the required role of a trustee on the management board and the relevant standards and commitments that are expected of them.

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 7 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, management financial reports, meeting minutes and copies of the charity's annual Reports and financial statements.

Public Benefit

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.

MERTON MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2014

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.

Relationships with other charities

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 2014

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.

This report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

On behalf of the Board of Trustees



J R Mander

Trustee

Dated: 2 February 2015

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 2014 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 18, 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 2014 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.

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
- 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 Ltd

WSM Advisors Limited
Registered Auditors and Chartered Accountants

Pinnacle House
17-25 Hartfield Road
London
SW19 3SE

Dated: 6/2/15

MERTON MUSIC FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
INCOMING RESOURCES					
<u>Incoming resources from generated funds</u>					
Voluntary income	2	18,340	5,002	23,342	31,315
Activities for generating funds	3	50,816	205,293	256,109	252,229
Investment income	4	56	4	60	65
		<u>69,212</u>	<u>210,299</u>	<u>279,511</u>	<u>283,609</u>
<u>Incoming resources from charitable activities</u>					
Activities in furtherance of the charity's objectives	5	644,770	-	644,770	687,667
TOTAL INCOMING RESOURCES		<u>713,982</u>	<u>210,299</u>	<u>924,281</u>	<u>971,276</u>
RESOURCES EXPENDED					
	6				
Charitable activities		831,109	10,530	841,639	933,825
Governance costs		60,037	-	60,037	57,776
TOTAL RESOURCES EXPENDED		<u>891,146</u>	<u>10,530</u>	<u>901,676</u>	<u>991,601</u>
Net (outgoing)/incoming resources before transfers, revaluations and investment asset disposals		<u>(177,164)</u>	<u>199,769</u>	<u>22,605</u>	<u>(20,325)</u>
Gross transfers between funds		<u>186,025</u>	<u>(186,025)</u>	<u>-</u>	<u>-</u>
Net income/(expenditure) resources before revaluations and investment asset disposals		<u>8,861</u>	<u>13,744</u>	<u>22,605</u>	<u>(20,325)</u>
Total fund balance at 1 September 2013		<u>60,322</u>	<u>38,758</u>	<u>99,080</u>	<u>119,405</u>
TOTAL FUND BALANCE AT 31 AUGUST 2014		<u>69,183</u>	<u>52,502</u>	<u>121,685</u>	<u>99,080</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 24 to 35 form part of these financial statements.

MERTON MUSIC FOUNDATION

BALANCE SHEET

AS AT 31 AUGUST 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	11		34,296		44,144
Current assets					
Stocks	12	817		1,094	
Debtors	13	29,898		40,887	
Cash at bank and in hand		194,902		132,716	
		225,617		174,697	
Creditors: amounts falling due within one year	14	(138,228)		(119,761)	
Net current assets			87,389		54,936
Total assets less current liabilities			121,685		99,080
Net assets			121,685		99,080
Income funds					
Restricted funds	17		52,502		38,758
Unrestricted funds	16		69,183		60,322
Total funds carried forward			121,685		99,080

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 2014, 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.

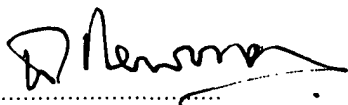
These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

MERTON MUSIC FOUNDATION

BALANCE SHEET

AS AT 31 AUGUST 2014

The accounts were approved by the Board on 2 February 2015.



WI Newman

Trustee



JR Mander

Trustee

Company Registration No. 02590621

The notes on pages 24 to 35 form part of these financial statements.

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

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, 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.

Deferred income relates to the fees received in advance for the next financial year.

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, concert performances, tours, 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 2014

1 Accounting policies

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.

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

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.

The funds received in the year are transferred to the general fund to be set off against expenses in the year that relate to the agreed activities with Arts Council England.

Peter 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 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.

Federation of Music Services

The Federation of Music Services is now **The UK Association for Music Education - Music Mark**, following a merger of the Federation of Music Services with the National Association of Music Educators. The grant's original use was restricted to the purchase, lease or repair of musical instruments suitable for use with children in KS2. The funds were applied as intended in the period of receipt and the remaining reserve is now reduced by the depreciation and disposal of the fund-purchased musical instruments.

Arts Council England 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.

Dorothy Taylor Bequest

The charity received restricted funds within the current year to support one girl and one boy in their musical studies for the period of 4 years at the request of the late Dorothy Taylor.

Backstories

The charity received restricted funds within the current year to support the rehearsals and preparation of two performances in the subsequent year at the Royal Albert Hall.

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 2014

1 Accounting policies

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 Trustees have received 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.

2 Voluntary income

	Unrestricted funds	Restricted funds	Total 2014	Total 2013
	£	£	£	£
Donations	7,500	5,002	12,502	6,723
Gift aid	10,840	-	10,840	24,592
	<u>18,340</u>	<u>5,002</u>	<u>23,342</u>	<u>31,315</u>

3 Activities for generating funds

	Unrestricted funds	Restricted funds	Total 2014	Total 2013
	£	£	£	£
Grants receivable				
Music Education Services	4,816	-	4,816	3,800
London Borough of Merton	-	-	-	7,400
Arts Council England	-	186,025	186,025	195,029
LBM/Merton Schools Forum	46,000	-	46,000	46,000
Backstories Project	-	19,268	19,268	-
Total grants receivable	<u>50,816</u>	<u>205,293</u>	<u>256,109</u>	<u>252,229</u>

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

4 Investment income

	Unrestricted funds	Restricted funds	Total 2014	Total 2013
	£	£	£	£
Bank interest receivable	56	4	60	65

5 Activities in furtherance of the charity's objectives

	Total 2014	Total 2013
<i>Unrestricted funds</i>	£	£
Tuition fees	540,343	521,760
Hire of instruments	28,872	26,822
Music centre subscriptions	57,878	65,351
Concert and tour receipts	5,421	64,208
Fees - inset	2,950	1,676
Other income	9,306	7,850
	<u>644,770</u>	<u>687,667</u>

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

6 Total resources expended

	Staff costs £	Depreciation £	Other direct costs £	Allocated other costs £	Total 2014 £	Total 2013 £
Provision of charitable activities						
Instrumental tuition	121,983	-	257,181	16,431	395,595	404,028
Youth music programme	73,273	-	81,542	4,929	159,744	161,808
Tours and concerts	33,772	-	21,639	2,465	57,876	87,653
Professional advice and support to	24,511	-	-	-	24,511	24,210
CPD training	28,323	-	-	822	29,145	28,851
Project development	90,822	-	25,238	2,465	118,525	170,792
Instrument hire and repair	38,788	7,280	3,604	6,571	56,243	56,483
Total	411,472	7,280	389,204	33,683	841,639	933,825
Governance costs						
Salaries	28,796	-	-	-	28,796	27,462
Pension costs	2,997	-	-	-	2,997	2,871
Audit and accountancy fees	-	-	6,240	-	6,240	4,140
Bookkeeping	-	-	4,074	-	4,074	4,220
Bank charges	-	-	6,209	-	6,209	4,250
Sundries	-	-	348	-	348	215
Depreciation	-	3,979	-	-	3,979	7,560
Allocated support	-	-	-	7,394	7,394	7,058
Total	31,793	3,979	16,871	7,394	60,037	57,776

Total resources expended

Direct charitable expenditure	411,472	10,530	385,954	33,683	841,639	933,825
Governance costs	31,793	3,979	16,871	7,394	60,037	57,776
	443,265	14,509	402,825	41,077	901,676	991,601

Included in instrumental hire and repair costs is a total of £7,280 (2013: £9,618) relating to restricted funds.

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year in their capacity as trustees (2013: £nil).

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2014 Number	2013 Number
Trading operations	9	12

Employment costs

	2014 £	2013 £
Wages and salaries	373,121	363,918
Social security costs	28,661	28,295
Other pension costs	42,087	41,428
	<u>443,869</u>	<u>433,641</u>

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

	2014 Number	2013 Number
£60,000 to £70,000	1	1

Of the employees whose emoluments exceed £60,000, 1 (2013: 1 employee) has retirement benefits accruing under defined benefit pension schemes. A total of £8,546 (2013: £8,462) was paid to the Teachers' pension Scheme in the year for this employee.

9 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 2014

10	Net (outgoing)/incoming resources for the year		2014 £	2013 £	
	This is stated after charging:				
	Staff pension contributions		42,087	38,759	
	Depreciation of tangible assets		14,509	14,714	
	Auditors' remuneration				
	- as auditors		3,600	3,600	
	- other services		2,640	540	
11	Tangible fixed assets				
		Office equipment	Computer equipment	Musical instruments	Total
		£	£	£	£
	Cost				
	At 1 September 2013	26,981	27,643	176,077	230,701
	Additions	-	625	1,224	1,849
	Disposals	-	-	(957)	(957)
	At 31 August 2014	26,981	28,268	176,344	231,593
	Depreciation				
	At 1 September 2013	24,856	25,842	135,858	186,556
	On disposals	-	-	(518)	(518)
	Charge for the year	531	606	10,122	11,259
	At 31 August 2014	25,387	26,448	145,462	197,297
	Net book value				
	At 31 August 2014	1,594	1,820	30,882	34,296
	At 31 August 2013	2,125	1,801	40,218	44,144
12	Stocks			2014 £	2013 £
	Stock			817	1,094

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

13 Debtors	2014 £	2013 £
Trade debtors	11,388	8,522
Other debtors	18,510	32,365
	29,898	40,887
14 Creditors: amounts falling due within one year	2014 £	2013 £
Trade creditors	2,561	9,068
Accruals and deferred income	119,604	96,395
Pension control	30	-
Taxes and social security costs	8,340	8,695
Other creditors	7,693	5,603
	138,228	119,761
15 Deferred income	2014 £	2013 £
Deferred income is included within:		
Creditors due within one year	40,645	25,083
	40,645	25,083
Total deferred income at 1 September 2013	25,083	32,253
Amounts received in year	40,645	25,083
Amounts credited to statement of financial activities	(25,083)	(32,253)
Total deferred income at 31 August 2014	40,645	25,083

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

16 Unrestricted funds

	Movement in funds				
	Balance at 1 September	Incoming resources	Resources expended	Transfers	Balance at 31 August 2014
	£	£	£	£	£
P Woodings bursary fund	5,370	479	(98)	-	5,751
General fund	54,952	713,503	(891,048)	186,025	63,432
	<u>60,322</u>	<u>713,982</u>	<u>(891,146)</u>	<u>186,025</u>	<u>69,183</u>

The transfer related to the grant from Arts Council England (ACE) which is applied to the charitable expenses in the year.

17 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	Incoming resources	Resources expended	Transfers	Balance at 31 August 2014
	£	£	£	£	£
Greenwood bursary fund	9,637	4	(78)	-	9,563
Federation of Music Services	29,121	-	(7,202)	-	21,919
Arts Council England funding	-	186,025	-	(186,025)	-
Dorothy Taylor Bequest	-	5,002	-	-	5,002
Backstories Project	-	19,268	(3,250)	-	16,018
	<u>38,758</u>	<u>210,299</u>	<u>(10,530)</u>	<u>(186,025)</u>	<u>52,502</u>

Arts Council England (ACE) 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 of the National Plan for Music Education as highlighted within the Trustees' Report. The funds received in the year have been transferred to the general fund to be set off against expenses in the year that relate to the agreed activities with ACE.

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

18 Analysis of net assets among funds

	Restricted funds £	Unrestricted funds £	Total 2014 £	Total 2013 £
Fund balances at 31 August 2014 are represented by:				
Tangible fixed assets	21,842	12,454	34,296	44,144
Net current assets	52,501	34,888	87,389	54,936
	<u>74,343</u>	<u>47,342</u>	<u>121,685</u>	<u>99,080</u>

19 Commitments under operating leases

At 31 August 2014 the company had annual commitments under non-cancellable operating leases as

	2014 £	2013 £
<u>Property rental</u>		
Expiry date:		
Between two and five years	<u>3,750</u>	<u>3,570</u>

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.

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

21 Pension costs

The charity participates in the Teachers' Pension Scheme (England and Wales) ("TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the charity. As required by FRS17 "Retirement Benefits", the charity accounts for this scheme as if it were a defined contribution scheme.

On 4 July 2012 the Chief Secretary to the Treasury confirmed that the Government would be taking forward legislation based on the reformed scheme design for the Teachers' Pension Scheme to be introduced in 2015 as set out in the Teachers' Pension Scheme – Proposed Final Agreement ("the TPS Agreement"). The TPS Agreement sets out the main parameters for both the provision of future pension benefits and the structuring of the future contributions to the TPS including the basis for increasing average employee contribution rates up to 2015.

On 31 January 2013, the Department for Education published the outcome of the consultation on further contributions increases that will apply to members of the TPS in financial year 2013-14 as well as the removal of provisions governing scheme valuations and cap and share arrangements. A revised eight tier salary and employee contribution rate structure has been introduced from 1 April 2013 with employee rates varying between 6.4% and 11.2%. Employer contributions will continue for this period at the current rate 14.1%.

On 25 April 2013 the Public Service Pensions Act 2013 was enacted and provides the arrangements for managing the future TPS costs, including a requirement for scheme regulations which must set an employer cost cap which will be required to be in accordance with Treasury directions.

In light of the new arrangements for setting contribution rates the Government has concluded that there is now no need to carry out the currently suspended TPS actuarial review or the cap and share processes.

The pension charge for the year includes contributions payable to the TPS of £40,092 (2013: £39,540). At the balance sheet date pension liability of £30 (2013: £nil) was outstanding.

Four members of staff who are not eligible to join the Teachers' Pension Scheme participated in a defined contribution scheme to which the charity contributed £1,995 (2013: £1,888). At the balance sheet date £nil (2013: £nil) was outstanding.

22 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.

23 Control

The charity was under the control of the Board of Trustees throughout the current and previous year.