

Charity Registration No. 1004122

Company Registration No. 02590621 (England and Wales)

MERTON MUSIC FOUNDATION

Annual report and financial statements

For the year ended 31 August 2017

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MERTON MUSIC FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ian Newman Michael Collins Clive Grinyer Doreen Hewitt Edward Hickman Ana Sallavuard Rowena Maybury Ian Bond	(Appointed 1 September 2017)
	Andrew Freeman	(Appointed 1 September 2017)
Charity number	1004122	
Company number	02590621	
Registered office	c/o Harris Academy Morden Lilleshall Road Morden SM4 6DU	
Auditor	WSM Advisors Limited Connect House 133-137 Alexandra Road Wimbledon London SW19 7JY	
Bankers	Lloyds Bank Plc 83 High Street Walton-on-Thames Surrey KT12 1DU	
Solicitors	Bates Wells & Braitwaite Scandinavian House 2-6 Cannon Street London EC4M 6YH	

MERTON MUSIC FOUNDATION

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MERTON MUSIC FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

For the year ended 31 August 2017

The Trustees present their report and financial statements for the year ended 31 August 2017.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Chairman's Introduction

MMF has enjoyed another busy successful year delivering high quality music education and performance opportunities to young people of all ages and abilities in Merton and SW London. These included services delivered directly and, as lead partner for the Merton Music Education Hub, those developed in partnership and collaboration with other Arts and Education organisations.

Schools remain our key focus and almost all primaries and secondaries benefitted from our School Music Education Plan. Project opportunities, subsidised clubs, workshops, support for primary music co ordinators, CPD, large scale performances, whole class programmes, provision of Music Centres and tuition have formed the backbone of MMF's delivery. The aspirations of the National Plan for Music Education underpin MMF's vision for the local offer in Merton.

Through its Hub 'core' and 'extension' roles (defined on page 3), MMF fulfilled its remit.

Highlights included:

- Successful move of MMF's operations to Harris Academy Morden
- Continued 'low risk' ACE status
- First Access programmes provided Whole Class Ensemble Tuition (WCET) for primary and secondary schools
- MMF's Youth Music Programme features 25 regular ensembles, instrumental and choral groups from beginner to advanced level all giving regular performances.

Consolidating progression routes remains a critical challenge. Initiatives include:

- The development and review of WCET provision
- Supporting pupils to apply for scholarships, bursaries and awards
- Signposting and supporting young people to apply to NCO, NYO and LSSO.
- Continued collaboration with the Wimbledon Community Chorus, the Wandle Band and the Wimbledon Community Orchestra to provide a pathway to learning beyond MMF.

The 'Singing Strategy' is a national priority which is embedded in our work with over 40 Merton schools. The 'Speak Up, Speak Out' choral project involved over a 1,000 singers from youth choirs performing an original commissioned composition at the Royal Albert Hall.

Our growing list of local, regional and national partners is impressive and demonstrates our active commitment to our role as 'Hub' lead, our engagement with continuing improvement of local provision and our understanding of the National Music Plan.

The highlight of the year was the fabulous celebration of music-making at the Royal Albert hall in May. 1500 young performers raised the roof to a capacity audience, featuring two new commissions premiered on the night. Leading silent film composer, Neil Brand, narrated his 'People's Guide to the Orchestra' with 220 young musicians. Pete Churchill composed 'Speak Up, Speak Out!' with staff member Adam Saunders, with lyrics by Andy Alty (Wimbledon Civic Theatre Trust) on a Shakespeare theme for a 1000 strong youth choir. Working with friends, colleagues and partner organisations enabled MMF to create additional project opportunities as part of the SUSO and Peoples' Guide programmes reaching more children across the borough

Feedback from the concert reflected an appreciation of the high standards achieved, the enthusiasm of students and staff and delight at how special needs performers were integrated into the performances. We look forward to a similarly exhilarating event in March 2019; built on the solid foundations of everything else MMF does throughout the year.

MERTON MUSIC FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

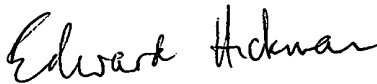
For the year ended 31 August 2017

Many challenges for music education remain of course, but MMF remains vibrant and positive now that funding is confirmed until 2020. The staff team has remained stable and was strengthened by the appointment of Lilia Iontcheva as Head of Percussion in the summer term.

On behalf of my fellow Trustees and on a personal note, I would like to thank all the staff and tutors who work so hard at MMF. As Trustees, we see just how much effort and dedication the team puts in to each and every activity. The rewards do come though, as music brings its own special magic. It has been a pleasure to witness the joy on the faces of young people (and their parents) at the Music Centre and any one of the many exciting performances and events put on each year.

I also have to thank my fellow Trustees for all their input into helping ensure that MMF remains well run and financially stable. Finally, the Friends of MMF deserve a special mention for all that they voluntarily do to support the charity.

MMF delivers for students, staff, parents and partners through the range and quality of the learning and performance opportunities it offers. What follows in this report provides the detail and the background to our achievements in 2016-17.



Edward Hickman
Chair of Trustees

MERTON MUSIC FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

For the year ended 31 August 2017

Objectives and activities

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*'.

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

The vision that shapes our annual activities is based on the aspirations of the **National Plan for Music Education 'The Importance of Music'**. Published in 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.

Music Education Hubs are a vital part of the Government's National Plan for Music Education Plan, which resulted from a thorough review of music education undertaken by Darren Henley in 2011. The Hub receives funding directly from Arts Council England on behalf of the Department of Education.

Music Hubs have a remit to fulfil four core roles and three extension roles in the delivery of music education:

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

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

For the year ended 31 August 2017

Working in partnership

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 2016/17 financial year included Be Creative, Charanga, Crown Lane Studio, Merton Children, Schools and Families Department, London Music Fund, Merton Schools Forum, Orchestra of the Age of Enlightenment, Polka Theatre, Richard Mallet Arts Management, Roehampton University, 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.

Delivery

Executive responsibility for delivery rests with the Chief Executive and the Senior Leadership Team, made up of two full-time employees and one part-time employee 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 in support for the charity's various education activities.

Volunteers

We work closely with our parents' charity the Friends of Merton's Young Musicians (FMYM). The Friends meet regularly to administer the affairs of their charity, to arrange fundraising 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.

Ensuring our work continues to deliver our charitable purpose

We review our aims, objectives and activities annually through our Business Plan and regular reporting to Arts Council England. The review examines our achievements and the outcomes of our work over the past twelve months. It also 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.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

MERTON MUSIC FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

For the year ended 31 August 2017

Public Benefit

The Trustees of Merton Music Foundation have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The Trustees believe that the organisation conforms readily to the new public benefit requirements of the Charity Commission. The reasons for this belief are:

Our charitable objective *"To advance music education within a framework of the arts for the benefit of the public of the London Borough of Merton and elsewhere"* clearly demonstrates public benefit in advancing and promoting the importance of music education.

The advocacy work that MMF does is of potential benefit to all individuals, schools and its partnership organisations, by helping to create a learning environment in which live music making can flourish and be available to participants and audiences in the local community that the charity serves

The key focus for MMF's work: music education through a framework of the arts, are both defined within the Charities Act 2006 as charitable activities and as such both directly benefit the public

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.

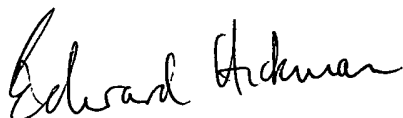
All the Foundation's projects are centered on children and young people, some of whom are 'hard to reach', have disadvantaged backgrounds or challenging circumstances.

Financial assistance is not just limited to students of families who qualify for assistance from the 'Pupil Premium'. The Trustees recognise that students from families whose income is only a little above the level to qualify for 'Pupil Premium' but have to contend with the high cost of living in London, may also require support and applications from such students are looked upon favourably.

Financial assistance in membership of MMF's Merton Youth Music activities and participating in its music making activities is considered in all cases of individual hardship.

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.

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Trustees to present a strategic report.



MERTON MUSIC FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

For the year ended 31 August 2017

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 2016/17 academic year.

CORE ROLES

First access

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

Around 1400 pupils from 24 Merton schools benefitted from First Access instrumental programmes.

This included 24 Whole Class Ensemble Tuition (WCET) projects. These projects were designed with a degree of flexibility in order to accommodate the specific needs of schools.

Schools bought into a full range of instruments - projects were delivered on djembe, mixed percussion, samba, trumpet, clarinet, flute, recorder and guitar.

24 pupils, and 10 staff from SLD PMLD and MLD Schools, also completed the fourth year of a WCET type programme with the OAE funded by Youth Music to run between 2013-17 and performed live with a mainstream KS2 group on stage at the Royal Albert Hall.

The flexible route option has proved popular again with schools opting to use percussion projects to establish general musicianship skills and musical discipline, before moving on to more advanced instruments. Informal feedback from schools suggested that this method enabled a greater range of pupils to feel engaged with playing an instrument as playing was not limited to one instrumental group. Tutors reported that pupils who had taken part in a percussion project before starting on a different instrument demonstrated a greater sense of rhythmic understanding, as well as greater engagement in lessons. Support for tutors was increased with tailored observations and support. The Djembe Percussion Book has been used extensively to support percussion projects.

Larger primary schools continued to opt for the new 3-form entry primary school projects. These lasted 45 minutes, enabling all three classes to have a lesson within a morning or afternoon period. Although adding more pressure on the tutor and MMF resources, this format has enabled all pupils within a year group to take part in learning an instrument.

In an effort to increase participation and continuation, MMF also developed half class programmes with less general musicianship and more focused instrumental learning. Further diversification of delivery led to a new three instrument delivery model at St Teresa's primary school which the school has bought in for the following academic year.

All projects culminated in a performance to parents. The success of these WCET specific concerts and the need to promote continuation has led to the development of a new fulltime staff role to take over responsibility for the whole first access programme in 17/18.

MERTON MUSIC FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

For the year ended 31 August 2017

Ensembles

MMF's Merton Youth Music programme is a comprehensive provision of 25 regular ensembles, instrumental and choral, from beginner to advanced level. MMF has responded to schools to support progression by providing after school clubs.

Other highlights have included a performance at RAH featuring 1500 young performers.

The on-going partnership with Orchestra of the Age of Enlightenment. The project created performing opportunities for children in the two Special Schools in the borough.

Participation again in the Mayor of Merton's Winter Warmer concert at St Mark's Academy. A partnership with LBM, the Polish School, Panash Steel Orchestra and Music Centre groups.

Young Voices performed in the Wimbledon International Music Festival.

The young percussionists performed with children from Bond school in the Crown Creative space in Morden.

Members of the Merton Messengers performed at Clapham Fair.

MYJO and Concert Band performed again at the Wimbledon Tennis Championships Semi-finals Days. Marching Band joined MYJO, MYCB and Groovement on another successful tour to the Loire Valley in France.

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 continued to focus on strengthening these progression routes within our operations area. This has included:

- Annual review and development of our Merton Youth Music programme - comprehensive range of 25 regular ensembles, instrumental and choral, from beginner to advanced level.
- First year of enhanced WCET provision at St Teresa's catering for a complete year group. The children have enjoyed their learning and performance standards have been high. The school has pledged funding for three years.
- Developing new performance opportunities with Hub partners. Composer Neil Brand was commissioned to compose a premier, People's Guide to the Orchestra, which was performed by a massed orchestra of over 200 young people at the RAH in May 2017.
- 46 pupils at Perseid received regular workshops during the year, developing a WCET project, which formed year 2 as part of an innovative three-year programme focusing on strings. The work was showcased at the Royal Albert Hall in 2015 and will feature again in 2017.
- Continued relationship with Wimbledon Community Chorus and signposting to local music groups such as Wandle Band and Wimbledon Community Orchestra to provide a pathway into adult learning.
- Sellout celebration of music-making from across the borough at the Royal Albert Hall featuring two new funded commissions and additional grant support from Arts Council England.

MERTON MUSIC FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

For the year ended 31 August 2017

Singing strategy

During the year, we worked with all Merton Primary schools to help develop, support and embed MMF's 'With One Voice' singing strategy, through a range of CPD, new resources (including use of Charanga and Sing Up) and a variety of performance opportunities.

MMF's Programmes Director is directly responsible for the on-going development, management and much of the delivery of WOV. She holds three meetings a year for school-based Primary Music Coordinators, which always includes an element of singing CPD. Music Coordinators and Secondary Music Leaders across all primary, secondary and special schools are emailed regularly with updated information on recommended resources. This included opportunities for CPD ('in house' and through nationally recognised organisations like Sound Connections, Sing Up, ABCD and The Voices Foundation); performance projects and other aspects of professional practice (e.g. advice on how to start or develop a school choir; how to choose appropriate repertoire; how to teach part-work successfully). The Programmes Director and Primary Curriculum Leaders 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 were given help and resources to incorporate into their planning.

'Sound Ideas', a comprehensive and progressive programme of study which places singing at the heart of early musical development continues to be available free of charge to all teachers in the borough (online in blog form, with planning, song material and audio clips).

Highlights included:

- WOV focus of has been the development and delivery of the Speak Up, Speak Out massed primary choir commission featuring a thousand KS2 children at the RAH.
- Regular rehearsal and performance support for the new Wimbledon Youth Choir and Polish school including joint concerts with members of MMF's junior and youth choirs at the RAH.
- Singing initiative for the Harris Federation involving 260 children performing at the ExCel Centre as the 'Harris in Harmony' choir
- Taking part again in the 'Winter Warmer' event for the Mayor of Merton in January 2017.
- A second cohort of 90 Primary children writing and performing their own songs for the 'Radio Retro' project
- Continued support for the Baseless Fabric theatre company to develop and deliver a Merton community opera
- Opportunities for groups of singers to take part in a range of external concerts and event, including a WW1 memorial event in Wimbledon, AELTC Championships and Wimbledon International Music Festival.
- 35 schools took up the offer of a free one-year license for Charanga, funded by MMF. Many schools are using the vocal resources regularly and successfully, to support their class and choral singing.
- Membership of MMF's Young Voices KS2 choir remained strong at around 35 weekly members
- The Groovement chamber choir, formed last year, performed at the RAH and took part in the Loire Valley tour.

MERTON MUSIC FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

For the year ended 31 August 2017

Extension roles

Continuous professional development (CPD)

Schools

- Three meetings were provided for Primary Coordinators, with an average of over 20 meetings. Topics included Charanga Composition project with Be Creative, Song share and use of apps and update on projects.
- A range of bespoke CPD meetings/half day sessions were held with Heads of Music at 7 Merton Secondary schools.
- Lead Practitioner and PD gave informal ongoing advice to Music Coordinators through email/ telephone conversations (auditing resources, progression, curriculum planning, constructing composition projects, evaluation /assessment).
- 300 Postgraduate and 1st year Primary teaching students (12 groups) received a series of lectures on music as part of their course at Roehampton University (Programmes Director and CLT member).

Tutor Workforce

- Curriculum Team offered ongoing informal advice/ guidance to tutor workforce.
- Support provided to tutors leading/co-leading Merton Youth Music ensembles.
- Percussion CPD course led by tutor in the spring term for school staff and tutors

Instrument hire

A competitive instrument hire scheme was provided to support learning. 250 instruments were hired during 2016/17. Students eligible for Trust Fund support hired at no cost other than a termly administration fee of £12. Partnership with Allianz Insurance provided discounted cover for parents hiring through MMF and a percentage donation was made to MMF.

Large scale / High quality musical experiences

This included:

- Speak Up, Speak Out, a full-length original musical score composed by Pete Churchill and staff member Adam Saunders, with lyrics by Andrew Alty (WCTT) and performed at the RAH.
- Members of the MYM programme gave concerts at Christmas, spring and in the summer to supporters at HAMD, Wimbledon International Music Festival and St Mark's Academy.
- Members of MYM performed at the high-profile Mayor of Merton's winter concert.
- Merton Messengers performed at the bandstand in Clapham as part of a summer music festival.

MMF took 53 students from MYCB, MYJO, Groovement and Marching Band on a 6-day tour, based around the Mosel Valley, during which they gave 3 enthusiastically received concerts at three different chateaus.

Other events included MYJO and Concert Band performing at the Wimbledon Championships, members of the Saxophone Ensemble/Jazz Combo were invited to play at the AELTC Charity Presentation at AELTC. OAE partnership concerts given and attended with Perseid School, Cricket Green and SSPP.

School music education plans

We supported all schools in the Borough as part of our School Music Education Plan.

The school educational plan 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 various schools booked 'bespoke' consultation time during the year and have negotiated after school provision.

MERTON MUSIC FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

For the year ended 31 August 2017

Developments have included:

Staff member completing a two-year MA in performance and education at Trinity College. Another had a book on djembe teaching published.

Percussion provision was developed at Crown Lane Studio with activity taking place after school on every day

Garage Band training, composition and assessment training requested and delivered in schools.

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 and other free or heavily subsidised programmes has previously been a concern. However, this year continuation levels have risen to 12%. MMF has undertaken a review and will advertise for a lead staff member to oversee the development of all the progression pathways. MMF will continue work with schools and other partners to explore alternative ways to set up more satellite magnet centres across the borough during 2017-18.

Ensembles

- MMF continues to provide a range of ensembles through its Youth Music Programme and has responded to parental requests for new groups such as Junior Jazz. This year two groups performed at the Music for Youth local festival and the Senior Marching Band were invited to Birmingham to perform at the National Festival. 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 continued 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. Positive discussions with local church choral leaders look set to bear fruit in 2016-17, with the development of a singing festival 'Singfest' to take place in October 2017.

Partnership development

Members of Merton Music Foundation's Senior Leadership Team have continued to meet formally and informally with all of its Hub partners over the year to ensure that the focus for all 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.

MERTON MUSIC FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

For the year ended 31 August 2017

To date this has included:

- Continued partnership work with 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.) and led to a production of 'Speak Up, Speak Out' at the Royal Albert Hall.
- Continued partnership with jazz musician and educator Pete Churchill to compose SUSO with staff member Adam Saunders, the focus of MMF's SUSO' 2016-17 singing strategy, involving a massed youth choir of 1,000 members.
- Ongoing positive relationships with LBM officers and Merton Head Teachers (e.g. through Schools Forum and Hub meetings), to ensure continued high quality support for curriculum music in schools, (e.g. through provision of CPD and CLT support)
- Continued development of partnership work with Polka Theatre as part of SUSO 2017.
- Continued partnership with Be Creative and Wimbledon International Music Festival. Project development work in schools included a 'Blues and Roots' initiative delivered in 16 schools.
- 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.
- Further expansion of 'London School of Percussion' at Crown Lane Studio for lessons on Saturdays and after school.
- Continued partnership work with the Orchestra of the Age of Enlightenment
- Continued support of three community music making groups, Wimbledon Community Chorus and signposting to Wandle Band and Wimbledon Community Orchestra.
- Programmes Director conducts WCC and offers shared performance opportunities.
- Collaboration with the Mayor's office, to provide local performance opportunities including at the Mayor of Merton's Winter Warmer Concert.
- Successful first year of enhanced WCET provision at St Teresa's RC Primary School meeting the first access needs of KS2 pupils.
- Third year of partnership with Roehampton University, to deliver lectures to PGCE and 1st Year Primary teaching students.

Music technology in teaching and learning

- Merton Music Foundation has long been an innovative leader in the use of technology to support music education.
- We have developed an open source website that provides music education resources to support our singing strategy in schools. This has included audio, video and downloadable teaching resources for the new resources to support our ongoing projects.
- Charanga, is now supporting more schools to deliver the music curriculum. 35 out of 43 schools are actively using it. During the last academic year schools in our borough spent 5654 hours logged on to Charanga music school resources.
- The technology Curriculum Leader employed is further supporting the use of iPads, Garage Band and apps in delivery of the school curriculum, WCET programmes and their use by instrumental tutors.
- Many members of our instrumental work force are using iPad apps and other music software and devices to create resources and support teaching and learning both during and after lessons.
- Merton schools continue to embrace the use of technology, use of white boards and iPad in particular.
- Many of our freelance tutors also use these as and when available and appropriate (with awareness and reference to school Child Protection policies and any resulting restrictions).

MERTON MUSIC FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

For the year ended 31 August 2017

Financial review

The principal movements in Income and Expenditure for the year were:

Income

Income was £1,183,337 in comparison with £1,085,674 for 2016, a small increase of 8.9% on the previous year.

Voluntary income from Donations and Gift Aid at £18,722 was slightly lower than last year's figure of £18,928.

The core grant from Arts Council increased to £253,761 from £251,612 in the previous year.

Income from music tuition, music centre fees and other similar income streams, was up by 13.4% from £731,384 in 2016 to £829,406.

Investment income showed a return of only £15 on MMF's short-term deposits. This is due to interest rates, which have continued to remain very low during this financial period.

Expenditure

Total expenditure was £1,161,494 in 2017, 6.2% higher than the figure for 2016 of £1,093,542. This was a result of the costs of our Royal Albert Hall event, taking these costs out, in fact overall costs were down by 6% on the previous year.

Financial position at year end

Taking into account income and expenditure, the charity achieved an operational surplus of £21,843 for the year (2016: a deficit of £7,868) before revaluations and investment asset disposals.

Total fund balances as at 31 August 2017 were £129,025 (2016: £107,182). This consisted of £115,523 of unrestricted funds and restricted funds of £13,502.

Unrestricted funds continued to significantly increase in this financial year. The increase this year was by 33% to a figure of £115,523 increasing the level of 'free' funds available and was in line with the charity's Reserves Policy.

Restricted funds reduced during the year by 23.3%. These funds principally represented amounts held by MMF for particular restricted purposes within the objects of the charity and were primarily made up of funds transferred from the Ronald Greenwood Music Trust funds, Dorothy Taylor Fund and from the Federation of Music Services during 2010/11 for the purchase of musical instruments from the latter fund. 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 19 of the Notes to the Financial Statements.

Reserves Policy

It is the policy of the Trust to seek to maintain unrestricted funds, which are free reserves of the charity at a level, which equates to at least one month unrestricted expenditure and over time to seek to build up reserves towards the prudent amount of three months as recommended by the Charity Commission. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised and contingency savings made. These reserves are to provide sufficient funds to cover management, administration and operational costs over the stated period. The Trustees review the policy annually and the level of reserves is assessed in light of prevailing conditions and known risks to the Charity's sources of funds.

MERTON MUSIC FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

For the year ended 31 August 2017

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.

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.

The Trustees has assessed the major risks to which the charitable company is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for the future

Our Music Education Business Plan for 2012-20 (Updated February 2018) details our operational plans for the coming year. This will include further applications to Arts Council England's 'Grants for the Arts' Lottery funded programme to support music education projects and our projects for 18/19. Full details can be found in the latest copy of the plan, which can be downloaded from our website at www.mmf.org.uk/MMEH.

Other priorities include:

- Following from identifying the job roles and employee skills to remodel the workforce, new job specifications will be introduced alongside a new appraisal/staff review process.
- Recruitment of additional trustees to strengthen the charity's Management Board and provide succession for those trustees stepping down during the 2017/18 financial year.
- Further development of the charity's Management Board with the formation of new sub groups to support the charity's new senior management team. (e.g. Strategic planning, Appointments & Salaries Review, Audit and Risk Assessment).
- Development of the partnership relationship between HAMD and MMF for mutual benefit.
- Confirmation that grant funding is in place from all our core funders for the 2018/19 financial year.
- Pledges are confirmed for all key partners wishing to work as part of the Charity's Music Education Hub programme during the 2018/19 financial year.
- Review of the effectiveness of current partnership arrangements and to identify any new partners that could help support the next stage of MMF's hub development (2018-2020).
- Explore ways in which funding can be secured to deliver these new partnerships and start planning potential projects that could be delivered during this period.

MERTON MUSIC FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

For the year ended 31 August 2017

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.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Ian Newman

Michael Collins

Clive Grinyer

Doreen Hewitt

Edward Hickman

Rachel Jacob

(Resigned 31 March 2017)

Ana Sallavuard

Rowena Maybury

Ian Bond

(Appointed 1 September 2017)

Andrew Freeman

(Appointed 1 September 2017)

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 Disclosure and Barring Service (DBS).

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, manages the day-to-day operations of the charity, and as delegated authority, within terms of delegation approved by the trustee body, for operational matters including finance, employment and artistic related activity.

The Board of Trustees considers the key management personnel to be : Programmes Director - Soo Bishop

Chief Executive Officer- Elisabeth Wigley

Finance Director - Lawrie Meechan.

Risk management

The Trustees have a risk management policy, which comprises an annual review of the risks the charity may face and establishes systems and procedures to mitigate those risks identified.

Health & safety and child protection

The health and safety of staff and students together with child protection are primary concerns to the Trustees. Music Centre managers and other key staff undertake both first aid and fire marshal training and all staff are made aware of their own duties and responsibilities for health and safety issues.

Merton Music Foundation adopts the current Child Protection requirements as set out by the Home Office. Prior to the commencement of work enhanced DBS checks take place for all new staff together with at least two satisfactory references and interview. DBS's are rechecked for all staff and trustees every 3 years.

MERTON MUSIC FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

For the year ended 31 August 2017

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.

Related parties and co-operation with other organisations

MMF works closely with the Friends of Merton's Young Musicians (FMYM) (Charity No. 274493R). 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.

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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

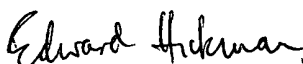
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that WSM Advisors Limited be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report, including the strategic report, was approved by the Board of Trustees.



Edward Hickman

Trustee

Dated: 23 May 2018

MERTON MUSIC FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF MERTON MUSIC FOUNDATION

Opinion

We have audited the financial statements of Merton Music Foundation (the 'charitable company') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2017 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

MERTON MUSIC FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MERTON MUSIC FOUNDATION

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

Annie Lee
for and on behalf of WSM Advisors Limited

23 May 2018

Chartered Accountants
Statutory Auditor

Connect House
133-137 Alexandra Road
Wimbledon
London
SW19 7JY

WSM Advisors Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

MERTON MUSIC FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 August 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<u>Income from:</u>					
Donations and legacies	3	18,722	-	18,722	18,928
Charitable activities	4	875,406	289,194	1,164,600	1,066,659
Investments	5	15	-	15	87
Total income		894,143	289,194	1,183,337	1,085,674
<u>Expenditure on:</u>					
Charitable activities	6	1,121,953	39,541	1,161,494	1,093,542
Net income/(expenditure) before transfer		(227,810)	249,653	21,843	(7,868)
Gross transfers between funds		253,761	(253,761)	-	-
Net income/(expenditure) for the year/ Net movement in funds		25,951	(4,108)	21,843	(7,868)
Fund balances at 1 September 2016		89,572	17,610	107,182	115,050
Fund balances at 31 August 2017		115,523	13,502	129,025	107,182

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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

MERTON MUSIC FOUNDATION

BALANCE SHEET

As at 31 August 2017

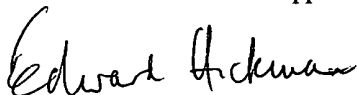
	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	10		27,780		29,996
Current assets					
Stocks	12	1,500		1,500	
Debtors	13	24,723		12,249	
Cash at bank and in hand		176,440		197,592	
		202,663		211,341	
Creditors: amounts falling due within one year	14	(101,418)		(134,155)	
Net current assets			101,245		77,186
Total assets less current liabilities			129,025		107,182
Income funds					
Restricted funds	16		13,502		17,610
Unrestricted funds			115,523		89,572
			129,025		107,182

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 2017, 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 financial statements under the requirements of the Companies Act 2006.

The Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements 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 financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 23 May 2018



Edward Hickman
Trustee

Company Registration No. 02590621

MERTON MUSIC FOUNDATION

STATEMENT OF CASH FLOWS

For the year ended 31 August 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22		(14,123)		27,562
Investing activities					
Purchase of tangible fixed assets		(7,044)		(6,952)	
Interest received		15		87	
Net cash used in investing activities			(7,029)		(6,865)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(21,152)		20,697
Cash and cash equivalents at beginning of year			197,592		176,895
Cash and cash equivalents at end of year			176,440		197,592

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2017

1 Accounting policies

Charity information

Merton Music Foundation is a private company limited by guarantee incorporated in England and Wales with charitable status. The registered office is c/o Harris Academy Morden, Lilleshall Road, Morden, SM4 6DU.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Incoming resources

Incoming resources represents tuition fees, income from concerts, tours, hire of instruments, music centre subscription and other fees rendered in the year.

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 Resources expended

Expenditure for charitable purposes

Direct charitable expenditure includes all expenditure directly related to the objectives of the charitable company and comprises the costs of providing instrumental tuition, concert performances, tours, and education and community projects undertaken by the charitable company 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 charitable company's assets, organisational administration and compliance with constitutional and statutory requirements.

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.6 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less,

1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.11 Fund Accounting

The funds held by the charitable company are either:

Restricted funds - these are funds that can be used for particular restricted purposes within the objects of the charitable company. 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

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 charitable company to support exceptional young musicians at the request of Peter Wooding's family. The fund was established with donations made to the charitable company. The charitable company 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 charitable company 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 is operated in accordance with the Ronald Greenwood Musical Trust deed and awards are made to young musicians who show great promise. The charitable company held sufficient cash balances at the year end to allow the fund to be operated in accordance with the Trust deed.

Music Mark

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.

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

1 Accounting policies

(Continued)

Arts Council England Funding

The charitable company 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 charitable company 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.

Arts Council England 'Grants for the arts'

The charitable company received restricted funds within the current year to support its Backstories and Radio Retro Projects.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	2017	2016
	£	£
Donations and gifts	11,964	9,614
Gift aid claimed in prior years	6,758	9,314
	<u>18,722</u>	<u>18,928</u>

The income from voluntary income was £18,722 (2016:£18,928) of which all are unrestricted income.

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

4 Charitable activities

	Tuition fees	Hire of instruments	Music centre subscriptions	Concert and tour receipts	Fees - inset	Grants receivable	Other income	Total 2017	Total 2016
	£	£	£	£	£	£	£	£	£
Sales within charitable activities	586,499	29,980	52,415	123,569	28,706	-	8,237	829,406	731,384
Performance related grants	-	-	-	31,933	-	303,261	-	335,194	335,275
	<u>586,499</u>	<u>29,980</u>	<u>52,415</u>	<u>155,502</u>	<u>28,706</u>	<u>303,261</u>	<u>8,237</u>	<u>1,164,600</u>	<u>1,066,659</u>
Analysis by fund									
Unrestricted funds	586,499	29,980	52,415	123,569	28,706	46,000	8,237	875,406	
Restricted funds	-	-	-	31,933	-	257,261	-	289,194	
	<u>586,499</u>	<u>29,980</u>	<u>52,415</u>	<u>155,502</u>	<u>28,706</u>	<u>303,261</u>	<u>8,237</u>	<u>1,164,600</u>	
For the year ended 31 August 2016									
Unrestricted funds	571,102	24,548	60,001	60,142	11,262	46,000	4,329		777,384
Restricted funds	-	-	-	37,663	-	251,612	-		289,275
	<u>571,102</u>	<u>24,548</u>	<u>60,001</u>	<u>97,805</u>	<u>11,262</u>	<u>297,612</u>	<u>4,329</u>		<u>1,066,659</u>

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

5 Investments

	2017	2016
	£	£
Interest receivable	15	87

The income from investment was £15 (2016: £87) which was unrestricted.

6 Charitable activities

	Staff costs	Depreciation	Other direct costs	Allocated other costs	Total 2017	Total 2016
	£	£	£	£	£	£
Instrumental tuition	79,537	-	248,162	44,573	372,272	407,000
Youth music programme	165,974	-	131,782	11,143	308,899	253,582
Tours and Concerts	82,584	-	33,105	11,143	126,832	128,949
Professional advice and support to	29,027	-	-	5,572	34,599	41,734
CPD training	4,155	-	-	5,572	9,727	41,532
Project development	74,653	-	129,109	11,143	214,905	109,905
Instrument repair and hire	10,984	6,993	5,040	11,143	34,160	51,202
	446,914	6,993	547,198	100,289	1,101,394	1,033,904
Share of support costs (see note 7)	27,595	2,268	11,384	11,143	52,390	54,535
Share of governance costs (see note 7)	-	-	7,710	-	7,710	5,103
	474,509	9,261	566,292	111,432	1,161,494	1,093,542
Analysis by fund						
Unrestricted funds	474,509	9,261	526,751	111,432	1,121,953	
Restricted funds	-	-	39,541	-	39,541	
	474,509	9,261	566,292	111,432	1,161,494	
For the year ended 31 August 2016						
Unrestricted funds	472,540	1,917	489,418	77,602		1,041,477
Restricted funds	-	8,083	43,982	-		52,065
	472,540	10,000	533,400	77,602		1,093,542

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

7 Support costs

	Support cost £	Other costs £	2017 £	2016 £	
Salaries	26,221	-	26,221	31,589	
Pension costs	1,374	-	1,374	493	
Legal and professional fee	2,613	-	2,613	4,813	
Bank charges	5,306	-	5,306	5,905	
Sundries	3,465	-	3,465	2,058	
Depreciation	2,268	-	2,268	1,917	
Allocated support	11,143	-	11,143	7,760	
Audit and accountancy fee	-	7,710	7,710	5,103	Governance
	<u>52,390</u>	<u>7,710</u>	<u>60,100</u>	<u>59,638</u>	
Analysed between					
Charitable activities	<u>52,390</u>	<u>7,710</u>	<u>60,100</u>	<u>59,638</u>	

Governance costs includes payments to the auditors of £5,430 (2016- £5,103) for audit fees.

These costs are allocated across the charitable activities based on the trustees estimate of the appropriate proportion attributable to each activity.

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

8 Employees

Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
	10	10
	<u>10</u>	<u>10</u>
	£	£
Wages and salaries	401,050	400,756
Social security costs	31,954	29,672
Other pension costs	41,506	42,112
	<u>474,510</u>	<u>472,540</u>

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

	2017 Number	2016 Number
£60,000 to £70,000	1	2
	<u>1</u>	<u>2</u>

Number of employees whose emoluments exceed £60,000, 1 (2016: 1 employee) has retirement benefits accruing under defined benefit pension schemes. A total of £10,674 (2016: £19,780) was paid to the Teachers' pension Scheme in the year for this employee.

9 Taxation

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

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

10 Tangible fixed assets

	Musical instruments £	Computer equipment £	Office equipment £	Total £
Cost				
At 1 September 2016	187,626	33,199	27,214	248,039
Additions	3,720	-	3,324	7,044
At 31 August 2017	191,346	33,199	30,538	255,083
Depreciation and impairment				
At 1 September 2016	163,379	28,521	26,143	218,043
Depreciation charged in the year	6,992	2,000	268	9,260
At 31 August 2017	170,371	30,521	26,411	227,303
Carrying amount				
At 31 August 2017	20,975	2,678	4,127	27,780
At 31 August 2016	24,247	4,678	1,071	29,996

11 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	24,723	12,249
Carrying amount of financial liabilities		
Measured at amortised cost	92,447	125,580

12 Stocks

	2017 £	2016 £
Stock	1,500	1,500

13 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	13,534	4,865
Other debtors	11,189	7,384
	24,723	12,249

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

14 Creditors: amounts falling due within one year

	2017 £	2016 £
Other taxation and social security	8,971	8,575
Trade creditors	18,177	28,324
Other creditors	18,561	9,246
Accruals and deferred income	55,709	88,010
	<u>101,418</u>	<u>134,155</u>

15 Retirement benefit schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees not in the Teachers Pension Scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

16 Restricted funds

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

	Balance at 1 September 2016 £	Movement in funds			Balance at 31 August 2017 £
		Incoming resources £	Resources expended £	Transfers £	
Greenwood bursary fund	9,568	-	-	-	9,568
Music Mark	3,800	-	(3,800)	-	-
Arts Council England - Core	-	253,761	-	(253,761)	-
Dorothy Taylor Bequest	4,242	-	(308)	-	3,934
Arts Council England - Grants for the arts	-	35,433	(35,433)	-	-
	<u>17,610</u>	<u>289,194</u>	<u>(39,541)</u>	<u>(253,761)</u>	<u>13,502</u>

Arts Council England (ACE) made a grant available to the charitable company during the year. The use of the grant has no specific restrictions; however the funding is subject to the charitable company 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 (CONTINUED)

For the year ended 31 August 2017

17 Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total £
Fund balances at 31 August 2017 are represented by:			
Tangible assets	-	14,278	27,780
Current assets/(liabilities)	13,502	101,245	101,245
	<u>13,502</u>	<u>115,523</u>	<u>129,025</u>

18 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.

19 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Property Rental		
Between two and five years	70,996	88,745
	<u>70,996</u>	<u>88,745</u>

20 Related party transactions

During the year, there was an employee who was employed as a chief executive officer, who was also a director. Remuneration was paid to this director in the capacity of an employee.

None of the trustees (or any person connected with them) received any remuneration or benefits from the charitable company during the year.

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

21 Teachers' Pension Scheme

The charity participates in the Teachers' Pension Scheme (England and Wales) (the "TPS"), for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £41,506 (2016: £40,470):

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. This report confirmed that the employer contribution rate for the TPS of 16.4% from 1 September 2015. Employees are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2016 and completed in 2018, with any resulting changes to the employer rate expected to take effect from 1 April 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

Five (2016: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 £2,618 (2016: £1,642).

22 Cash generated from operations	2017 £	2016 £
Surplus/(deficit) for the year	21,843	(7,868)
Adjustments for:		
Investment income recognised in statement of financial activities	(15)	(87)
Depreciation and impairment of tangible fixed assets	9,260	10,000
Movements in working capital:		
(Increase)/decrease in stocks	-	390
(Increase)/decrease in debtors	(12,474)	7,441
(Decrease)/increase in creditors	(32,737)	17,686
Cash (absorbed by)/generated from operations	(14,123)	27,562