

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 2018

FRIDAY



L86N5LØW

LD8

31/05/2019

#15

COMPANIES HOUSE

MERTON MUSIC FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ian Newman	
	Michael Collins	
	Edward Hickman	
	Rowena Maybury	
	Ian Bond	(Appointed 1 September 2017)
	Stephen Moran	(Appointed 12 November 2018)
	Sandra Vogel	(Appointed 11 March 2019)
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

CONTENTS

	Page
Trustees' report	1 - 14
Statement of trustees' responsibilities	15
Independent auditor's report	16 - 17
Statement of financial activities	18
Balance sheet	19
Statement of cash flows	20
Notes to the financial statements	21 - 34

MERTON MUSIC FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

For the year ended 31 August 2018

The Trustees present their report and financial statements for the year ended 31 August 2018.

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)

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 have 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:

- Regular weekly instrumental tuition (group and whole class) for c.2,500 young people
- Continued 'low risk' ACE status
- Expansion of First Access programmes providing Whole Class Ensemble Tuition (WCET) for primary and secondary schools
- MMF's Youth Music Programme features 26 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 responding to and tailored to the needs of the school.
- 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 'With One Voice' choral strand projects engaged with over 3,500 singers across the year, with all materials being made available to primary music co-ordinators across all LBM schools to impact even more widely.

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. This year we formed a new partnership with the Lincoln Jazz Centre in New York, whose outreach musicians visited MMF and gave 15 school workshops and mentoring for the Music Centre jazz musicians. They will be working with MMF again in 19-20.

There were many examples of fabulous of music-making and innovative projects throughout the year. The KISS Motown Project involved partnership with the London Music Fund and Sutton Music Service to explore the Motown vocal and instrumental sound over several weekend workshops, school workshops and then three exhilarating performances. The flagship senior concert band and jazz band appeared at Wimbledon Tennis again, performing to enthusiastic crowds. A new initiative, in partnership with other local choirs including 15 schools and 12 adult choirs, saw the inauguration of Merton's first Singfest over four days in October

MERTON MUSIC FOUNDATION

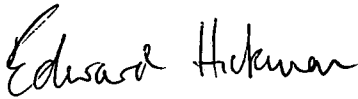
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

For the year ended 31 August 2018

Merton on the March formed part of the project that saw Merton Young voices taking part in the Cool Web opening concert at Wimbledon International Music Festival in November. MMF worked with the Tower of London Water City Festival for the first time and groups of young people performed in the tower to huge audiences. Planning is already underway with commissioning of music being prepared and workshopped for RAH 2019 – where we look forward to another exciting event built on the solid foundations of everything else MMF does throughout the year

On behalf of my Trustee colleagues, I would also like to thank all of the 'team MMF' staff for their hard work over the last 12 months. MMF sets its performance standard bar very high and the staff, supported by our tutors'

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.



Edward Hickman
Chair of Trustees

MERTON MUSIC FOUNDATION

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

For the year ended 31 August 2018

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

- **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
- **Ensembles** - Provide opportunities to play in ensembles and to perform from an early stage
- **Progression** - Ensure that clear progression routes are available and affordable to all young people
- **Singing** - Develop a singing strategy to ensure that every pupil sings regularly and that choirs and other vocal ensembles are available in the area.

Extension Roles

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

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.

MERTON MUSIC FOUNDATION

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

For the year ended 31 August 2018

Our partners during the 2017/18 financial year included Be Creative, Charanga, Crown Lane Studio, Merton Children, Schools and Families Department, Mayor's 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. FMYM has embarked on a 'sponsor a piano key' campaign to raise money for the purchase of a new grand piano for Music Centre use.

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)

For the year ended 31 August 2018

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.

MERTON MUSIC FOUNDATION

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

For the year ended 31 August 2018

Achievements and performance

CORE ROLES

1. 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. An additional Senior Curriculum Leader was appointed in January 18 to develop to provision and devise a new framework for delivery, successfully trialed in the summer term to be rolled out in September 18.

Around 1400 pupils from 16 Merton schools benefitted from First Access instrumental programmes.

This included 20 Whole Class Ensemble Tuition (WCET) projects, renamed as In2Music projects. These were designed with a degree of flexibility in order to accommodate the specific needs of schools and led to the new offer of Enthuse projects with some free taster projects and to a new PPA model for schools who requested it, offering additional general musicianship, singing and instrumental music throughout the year.

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

17 pupils, and 4 staff from Cricket Green School completed the fifth year of a WCET type programme with the OAE funded by Youth Music to run between 2013-19. Pupils rehearsed and performed at school during the year and will perform at the RAH in March 19 live with the OAE.

Having a designated, fulltime member of staff has enabled MMF to be more responsive to the needs of schools and to offer flexible routes, 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.

The Djembe Percussion Book has again been used extensively to support percussion projects. A wider range of support and training has been available to staff delivering the projects with additional teaching schemes, model teaching and peer observations built in.

Larger primary schools continue to be offered the adapted 3-form entry primary school model. These last 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 does enable all pupils within a year group to take part in learning an instrument.

In an effort to increase participation and continuation, MMF has continued to develop half class programmes with less general musicianship and more focused instrumental learning. Further diversification of delivery led to the continuation of the three instrument delivery model at St Teresa's primary school which the school has bought in to again.

All projects culminated in a performance to parents with very positive feedback. The number of projects booked for 18/19 has risen. MMF continues to subsidise tuition to parents after an In2Music programme to ensure that continuation is affordable and accessible.

2. Ensembles

MMF's Merton Youth Music programme is a comprehensive provision of 26 regular ensembles, instrumental and choral, from beginner to advanced level. MMF has responded to schools to support progression by providing after school clubs.

MERTON MUSIC FOUNDATION

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

For the year ended 31 August 2018

Highlights have included MYM performances at Christmas, Spring and Summer concerts involving 250 young people in different formats and combinations of groups including a summer outdoor performance.

The on-going partnership with Orchestra of the Age of Enlightenment has developed over the years and created learning and performing opportunities for children with SEND at Cricket Green school.

Young Voices performed in the Wimbledon International Music Festival.

New Beatfest Festival set up to provide performance opportunities for all the percussion groups.

Many young instrumentalists performed informally as part of Lil's Morden Jam monthly late Sunday afternoon sessions at the Crown Creative space in Morden.

Members of MYM and Panash Steel Orchestra performed at the high-profile Mayor of Merton's Winter warmer concert.

MYJO and Concert Band performed again at the Wimbledon Tennis Championships Semi-finals Days.

Members of MYJO, MYCB and Marching Band undertook a successful 6 day tour to the Mosel region of Germany.

Kiss Motown project in partnership with Sutton and London Music Fund featured MYJO, singers and guest musicians with 375 performers from both boroughs.

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 again 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 26 regular ensembles, instrumental and choral, from beginner to advanced level.
- Offering remission of fees schemes to support parents on low incomes
- Second year of enhanced In2Music 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 Tony Haynes of Grand Union Orchestra has been contracted to develop a world music percussion/concert band/choir piece with MMF's Lilia Iontcheva to be performed at RAH in March 19.
- Working with the special schools and the OAE to promote inclusive musicmaking activities for children with additional needs.
- 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.
- Supporting pupils to make applications to junior conservatoires and national youth ensembles including NYJO and the National Children's Orchestra, and help with post 18 applications to study music in the higher education sector.

MERTON MUSIC FOUNDATION

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

For the year ended 31 August 2018

4. 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. MMF was able to negotiate a reduction of 60% of fees with Sing Up for LBM schools for 17/18.

'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). All primary schools are offered the online music resource 'Charanga' free of charge to support classroom learning.

Highlights included:

- WOV singing projects have included the new SingFest festival in October 17 (15 schools), Merton on the March (27 schools), Chocolate Cake for Polka Theatre (5 schools), Water City Festival at the Tower of London (168 children)
- Singing initiative for the Harris Federation involving 260 children performing at the ExCel Centre as the 'Harris in Harmony' choir to an audience of 3,000.
- Taking part again in the 'Winter Warmer' event for the Mayor of Merton in January 2018.
- Opportunities for groups of singers to take part in a range of external concerts and events, including a WW1 memorial event in Wimbledon, AELTC Championships and Wimbledon International Music Festival.
- 42 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 40 weekly members.

Extension roles

Continuous professional development (CPD)

1. Schools

- Three meetings were provided for Primary Coordinators, with an average of over 20 at each meeting. Topics included using bamboo tamboo, Song share and use of apps and updates on projects.
- CE supported a secondary school music probationer via Teach First
- 6 (out of 8) bespoke meetings and phone conversations with secondary HODs of Music
- 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).
- Postgraduate and 1st year Primary teaching students received a series of lectures on music as part of their course at Roehampton University (Programmes Director and CLT member)

MERTON MUSIC FOUNDATION

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

For the year ended 31 August 2018

2. Tutor Workforce

- Curriculum Team offered ongoing informal advice/ guidance to tutor workforce.
- Support provided to tutors leading/co-leading Merton Youth Music ensembles.
- Instrumental meetings (eg all the guitar tutors) led by CLs for the tutor workforce.

3. Instrument hire

A competitive instrument hire scheme was provided to support learning. 232 instruments were hired during 2017/18. Students eligible for Trust Fund support hired at no cost other than a termly administration fee of £15. Partnership with Allianz Insurance provided discounted cover for parents hiring through MMF and a percentage donation was made to MMF.

4. Large scale / High quality musical experiences

This included:

- Members of the MYM programme gave concerts at Christmas, spring and in the summer to supporters/ parents
- Young Voices opened the Wimbledon International Music Festival
- Members of MYM performed at the high-profile Mayor of Merton's winter concert.
- Successful KISS Motown project and concerts
- Let Freedom Swing Concert – a new initiative with the Lincoln Jazz Centre musicians of presentations and workshops
- MMF took 53 students from MYCB, MYJO and Marching Band on a 6-day tour, based around the Mosel Valley, during which they gave 4 enthusiastically received concerts at four different venues
- MYJO and Concert Band performing at the Wimbledon Championships
- OAE partnership concerts given and attended with Cricket Green school

5. School music education plans

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

Developments have included:

- Teach First support for secondary music leader
- Tailored NQT support for primary staff
- Good take up of the 'MMF Offer to schools'
- Further development of Crown Lane Percussion activities (every weekday and Saturdays)
- High take up of projects (some oversubscribed)

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 13%. The new appointment of SCL will focus on this and how we support children in to lessons more successfully. MMF will continue to work with schools and other partners to explore alternative ways to set up more satellite magnet centres across the borough during 2018-19.

MERTON MUSIC FOUNDATION

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

For the year ended 31 August 2018

Ensembles

MMF continues to provide a range of ensembles through its Youth Music Programme and has responded to parental requests for new groups when appropriate such as Merton Malletts. MMF is responding to more requests from schools to help provide after-school 'club' activities, including percussion and orchestra groups. We support Dundonald school orchestra by enabling a volunteer to come in to the MMF office weekly and use Sibelius to make and print arrangements.

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 resulted in the first Merton Singfest 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.

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.) which will lead to a production of 'Thames Tales' at the Royal Albert Hall in 2019.
- Continued partnership with jazz musician and educator Pete Churchill to compose Thames Tales with staff member Adam Saunders, the focus of MMF's Liquid History 2018-19 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, the Chocolate Cake project and Polka 40 project.
- Continued partnership with Be Creative and Wimbledon International Music Festival. Project development work in schools included further 'Blues and Roots' initiative delivered in 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.
- Fifth year of partnership with Roehampton University, to deliver lectures to PGCE and 1st Year Primary teaching students

MERTON MUSIC FOUNDATION

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

For the year ended 31 August 2018

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 launched a new website in Spring 18 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. More accessible format and signing up information for parents.
- Charanga is now supporting more schools to deliver the music curriculum. 42 out of 43 schools are actively using it. During the last academic year schools in our borough used it extensively.
- 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).

Financial review

The principal movements in income and expenditure for the year were:

Income

Income was £1,107,423 in comparison with £1,183,337 for 2017, a small decrease of 6.4% on the previous year.

Voluntary income from Donations and Gift Aid at £5,151 was lower than last year's figure of £18,722.

The core grant from Arts Council decreased to £253,637 from £253,761 in the previous year.

Income from music tuition, music centre fees and other similar income streams, reduced by 3.2% from £829,406 in 2017 to £802,604.

Investment income showed a return of only £31 on MMF's short-term deposits. Interest rates, which have continued to remain very low during this financial period.

Expenditure

Total expenditure was £1,097,905 in 2018, 5.5% lower than the figure for 2017 of £1,161,494.

Financial position at year end

Taking into account income and expenditure, the charity achieved an operational net income of £9,518 for the year (2017: a net income of £21,843).

Total fund balances as at 31 August 2018 were £138,543 (2017: £129,025). This consisted of £125,570 of unrestricted funds and restricted funds of £12,973.

Unrestricted funds continued to increase in this financial year. The increase this year was by 8.7% to a figure of £125,570 increasing the level of 'free' funds available and was in line with the charity's Reserves Policy.

Restricted funds reduced during the year by 3.9%. 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 17 of the Notes to the Financial Statements.

MERTON MUSIC FOUNDATION

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

For the year ended 31 August 2018

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 just over 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.

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.

Net income/ expenditure

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)

For the year ended 31 August 2018

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 and up to the date of signature of the financial statements were:

Ian Newman	
Michael Collins	
Clive Grinyer	(Resigned 24 September 2018)
Doreen Hewitt	(Resigned 24 September 2018)
Edward Hickman	
Ana Sallavuard	(Resigned 24 September 2018)
Rowena Maybury	
Ian Bond	(Appointed 1 September 2017)
Andrew Freeman	(Appointed 1 September 2017 and resigned 12 March 2019)
Stephen Moran	(Appointed 12 November 2018)
Sandra Vogel	(Appointed 11 March 2019)

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.

MERTON MUSIC FOUNDATION

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

For the year ended 31 August 2018

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.

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.

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.

Disclosure of information to auditor

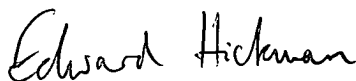
Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware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

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

Edward Hickman

Trustee

Dated: 28 May 2019



MERTON MUSIC FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

For the year ended 31 August 2018

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.

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 2018 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 2018 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 financial statements 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 financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 charitable 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 auditor 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.

Use of our report

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

Annie Lee (Senior Statutory Auditor)
for and on behalf of WSM Advisors Limited

28 May 2019

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 2018

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<u>Income from:</u>					
Donations and legacies	3	5,151	-	5,151	18,722
Charitable activities	4	848,604	253,637	1,102,241	1,164,600
Investments	5	31	-	31	15
Total income		853,786	253,637	1,107,423	1,183,337
<u>Expenditure on:</u>					
Charitable activities	6	1,097,376	529	1,097,905	1,161,494
Net income/(expenditure) before transfer		(243,590)	253,108	9,518	21,843
Gross transfers between funds		253,637	(253,637)	-	-
Net income/(expenditure) for the year/ Net movement in funds		10,047	(529)	9,518	21,843
Fund balances at 1 September 2017		115,523	13,502	129,025	107,182
Fund balances at 31 August 2018		125,570	12,973	138,543	129,025

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 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	10		25,549		27,780
Current assets					
Stocks	12	1,500		1,500	
Debtors	13	32,902		24,724	
Cash at bank and in hand		225,936		176,440	
		<u>260,338</u>		<u>202,664</u>	
Creditors: amounts falling due within one year	14	<u>(147,344)</u>		<u>(101,419)</u>	
Net current assets			112,994		101,245
Total assets less current liabilities			<u>138,543</u>		<u>129,025</u>
Income funds					
Restricted funds	17		12,973		13,502
Unrestricted funds			125,570		115,523
			<u>138,543</u>		<u>129,025</u>

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 2018, although an audit has been carried out under section 144 of the Charities Act 2011.

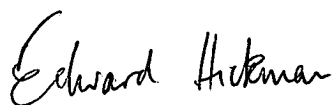
The Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its 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.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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 28 May 2019

Edward Hickman
Trustee



Company Registration No. 02590621

MERTON MUSIC FOUNDATION

STATEMENT OF CASH FLOWS

For the year ended 31 August 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	23		55,753		(14,123)
Investing activities					
Purchase of tangible fixed assets		(6,288)		(7,044)	
Interest received		31		15	
Net cash used in investing activities			(6,257)		(7,029)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			49,496		(21,152)
Cash and cash equivalents at beginning of year			176,440		197,592
Cash and cash equivalents at end of year			225,936		176,440

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2018

1 Accounting policies

Charity information

Merton Music Foundation is a private company limited by guarantee incorporated in England and Wales. 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 membership received under Gift Aid or deeds of covenant is recognised at the time of the receipt.

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 2018

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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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 2018

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.

Wider Opportunities

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 2018

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

	2018	2017
	£	£
Donations and gifts	906	11,964
Gift aid claimed in prior years	4,245	6,758
	<u>5,151</u>	<u>18,722</u>

The income from voluntary income was £5,151 (2017:£18,722) of which all are unrestricted income.

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2018

4 Charitable activities

	Tuition fees	Hire of instruments	Music centre subscriptions	Concert and tour receipts	Fees - inset	Grants receivable	Other income	Total 2018	Total 2017
	2018	2018	2018	2018	2018	2018	2018		
	£	£	£	£	£	£	£	£	£
Sales within charitable activities	628,373	25,859	56,545	68,421	19,259	-	4,147	802,604	829,406
Performance related grants	-	-	-	-	-	299,637	-	299,637	335,194
	<u>628,373</u>	<u>25,859</u>	<u>56,545</u>	<u>68,421</u>	<u>19,259</u>	<u>299,637</u>	<u>4,147</u>	<u>1,102,241</u>	<u>1,164,600</u>
Analysis by fund									
Unrestricted funds	628,373	25,859	56,545	68,421	19,259	46,000	4,147	848,604	875,406
Restricted funds	-	-	-	-	-	253,637	-	253,637	289,194
	<u>628,373</u>	<u>25,859</u>	<u>56,545</u>	<u>68,421</u>	<u>19,259</u>	<u>299,637</u>	<u>4,147</u>	<u>1,102,241</u>	<u>1,164,600</u>
For the year ended 31 August 2017									
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>

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2018

5 Investments

	2018 £	2017 £
Interest receivable	31	15
	<u>31</u>	<u>15</u>

The income from investment was £31 (2017: £15) which was unrestricted.

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2018

6 Charitable activities

	Staff costs	Depreciation	Other direct costs	Allocated other costs	Total 2018	Total 2017
	2018	2018	2018	2018		
	£	£	£	£	£	£
Instrumental tuition	89,010	-	312,675	38,820	440,505	372,272
Youth music programme	194,591	-	87,563	9,705	291,859	308,899
Tours and Concerts	78,878	-	38,717	9,704	127,299	126,832
Professional advice and support to	22,014	-	-	4,852	26,866	34,599
CPD training	4,258	-	-	4,852	9,110	9,727
Project development	74,552	-	25,564	9,705	109,821	214,905
Instrument repair and hire	11,064	6,729	5,607	9,705	33,105	34,160
	<u>474,367</u>	<u>6,729</u>	<u>470,126</u>	<u>87,343</u>	<u>1,038,565</u>	<u>1,101,394</u>
Share of support costs (see note 7)	27,309	1,790	9,913	9,705	48,717	52,390
Share of governance costs (see note 7)	-	-	10,623	-	10,623	7,710
	<u>501,676</u>	<u>8,519</u>	<u>490,662</u>	<u>97,048</u>	<u>1,097,905</u>	<u>1,161,494</u>
Analysis by fund						
Unrestricted funds	501,676	8,519	490,133	97,048	1,097,376	1,121,953
Restricted funds	-	-	529	-	529	39,541
	<u>501,676</u>	<u>8,519</u>	<u>490,662</u>	<u>97,048</u>	<u>1,097,905</u>	<u>1,161,494</u>
For the year ended 31 August 2017						
Unrestricted funds	474,509	9,261	526,751	111,432		1,121,953
Restricted funds	-	-	39,541	-		39,541
	<u>474,509</u>	<u>9,261</u>	<u>566,292</u>	<u>111,432</u>		<u>1,161,494</u>

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2018

7 Support costs

	Support cost £	Other costs £	2018 £	2017 £	
Salaries	26,204	-	26,204	26,221	
Pension costs	1,105	-	1,105	1,374	
Legal and professional fee	2,430	-	2,430	2,613	
Bank charges	5,875	-	5,875	5,306	
Sundries	1,610	-	1,610	3,465	
Depreciation	1,789	-	1,789	2,268	
Allocated support	9,705	-	9,705	11,143	
Audit and accountancy fee	-	10,623	10,623	7,710	Governance
	<u>48,718</u>	<u>10,623</u>	<u>59,341</u>	<u>60,100</u>	
Analysed between					
Charitable activities	<u>48,717</u>	<u>10,623</u>	<u>59,340</u>	<u>60,100</u>	

Governance costs includes payments to the auditors of £7,080 (2017- £5,430) 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 2018

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2018 Number	2017 Number
Number of employees	11	10
	<u>11</u>	<u>10</u>
	£	£
Wages and salaries	424,960	401,050
Social security costs	34,281	31,954
Other pension costs	42,437	41,506
	<u>501,678</u>	<u>474,510</u>

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

	2018 Number	2017 Number
£60,000 to £70,000	1	1
	<u>1</u>	<u>1</u>

Number of employees whose emoluments exceed £60,000, 1 (2017: 1 employee) has retirement benefits accruing under defined benefit pension schemes. A total of £11,003 (2017: £10,674) 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 2018

10 Tangible fixed assets

	Musical instruments £	Computer equipment £	Office equipment £	Total £
Cost				
At 1 September 2017	191,346	33,199	30,538	255,083
Additions	5,937	351	-	6,288
At 31 August 2018	197,283	33,550	30,538	261,371
Depreciation and impairment				
At 1 September 2017	170,371	30,521	26,411	227,303
Depreciation charged in the year	6,728	135	1,656	8,519
At 31 August 2018	177,099	30,656	28,067	235,822
Carrying amount				
At 31 August 2018	20,184	2,894	2,471	25,549
At 31 August 2017	20,975	2,678	4,127	27,780

11 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	32,902	24,724
Carrying amount of financial liabilities		
Measured at amortised cost	37,645	47,799

12 Stocks

	2018 £	2017 £
Stock	1,500	1,500

13 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	12,841	13,535
Other debtors	20,061	11,189
	32,902	24,724

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2018

14 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Other taxation and social security		10,569	8,971
Deferred income	15	99,130	44,649
Trade creditors		4,788	18,177
Other creditors		17,382	18,561
Accruals		15,475	11,061
		<u>147,344</u>	<u>101,419</u>

15 Deferred income

	2018 £	2017 £
Arising from government grants	26,833	26,833
Arising from other deferred income	72,297	17,816
	<u>99,130</u>	<u>44,649</u>

Other deferred income relates to deposits and fees paid in advance for the following year.

	2018 £	2017 £
Total deferred income at 1 September 2017	44,649	63,064
Amount received in the year	99,130	44,649
Amounts credited to statement of financial activities	(44,649)	(63,064)
Total deferred income at 31 August 2018	<u>99,130</u>	<u>44,649</u>

16 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.

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2018

17 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:

	Movement in funds				
	Balance at 1 September 2017	Incoming resources	Resources expended	Transfers	Balance at 31 August 2018
	£	£	£	£	£
Greenwood bursary fund	9,568	-	-	-	9,568
Arts Council England - Core	-	253,637	-	(253,637)	-
Dorothy Taylor Bequest	3,934	-	(529)	-	3,405
	<u>13,502</u>	<u>253,637</u>	<u>(529)</u>	<u>(253,637)</u>	<u>12,973</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.

18 Analysis of net assets between funds

	Restricted funds	Unrestricted funds	Total
	£	£	£
Fund balances at 31 August 2018 are represented by:			
Tangible assets	-	25,550	25,549
Current assets/(liabilities)	12,973	101,444	112,994
	<u>12,973</u>	<u>126,994</u>	<u>138,543</u>

19 Financial commitments, guarantees and contingent liabilities

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

20 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:

	2018	2017
	£	£
Between two and five years	<u>53,247</u>	<u>70,996</u>

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2018

21 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, reimbursed expenses or benefits from the charitable company during the year.

22 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 £39,916 (2017: £41,506).

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 (as amended) and the Teachers' Pension Scheme Regulations 2014 (as amended). 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 by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers 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 completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2018 to allow the Department for Education to finalise this valuation. Early indications from the valuation are that the amount employers will be required to pay towards the scheme may increase substantially from September 2019.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

Five (2017: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 £2,522 (2017: £2,618).

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2018

23	Cash generated from operations	2018 £	2017 £
	Surplus for the year	9,518	21,843
	Adjustments for:		
	Investment income recognised in statement of financial activities	(31)	(15)
	Depreciation and impairment of tangible fixed assets	8,519	9,260
	Movements in working capital:		
	(Increase) in debtors	(8,178)	(12,475)
	(Decrease) in creditors	(8,556)	(77,385)
	Increase in deferred income	54,481	44,649
	Cash generated from/(absorbed by) operations	<u>55,753</u>	<u>(14,123)</u>