

**THE NORTH LONDON CONSERVATOIRE  
TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**THE NORTH LONDON CONSERVATOIRE**

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THE NORTH LONDON CONSERVATOIRE

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2020

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<b>Trustees</b>	Mr P West Ms S Cox Mr A G M Brindley
<b>Charity registered number</b>	1161732
<b>Principal office</b>	76 St James Lane London N10 3RD
<b>Independent auditors</b>	Landau Baker Limited Chartered Accountants Mountcliff House 154 Brent Street London NW4 2DR

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## THE NORTH LONDON CONSERVATOIRE

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

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The Trustees present their annual report together with the audited financial statements of the The North London Conservatoire for the year September 2019 to 31 August 2020.

The Trustees confirm that the annual report and financial statements comply with the current statutory requirements and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in January 2015.

#### **Objectives and activities**

##### **a. Policies and objectives**

The objective of the charity as defined in the governing document is the promotion and advancement of musical education in accordance with the principles and practises as taught by Zoltan Kodaly.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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## THE NORTH LONDON CONSERVATOIRE

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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#### Objectives and activities (continued)

##### b. Strategies for achieving objectives

The year September 2019-July 2020 was a particularly difficult and challenging year. The Covid-19 pandemic and subsequent lockdown caused a huge amount of extra work necessitated by the need to rethink the school completely from top to bottom and to attempt to continue normal provision as much as possible but using online means of doing so, plus training teachers and parents to agree to set up software and assist them in becoming efficient in its use and help them all to become accustomed with the new policies and procedures. Early contingency plans in case of lockdown started in mid-February and thanks to this, the school was able to switch completely to online teaching within two days of the announcement of the first lockdown on 23rd March 2020. This online provision continued from March until the end of the summer term in July.

Throughout the academic year and in spite of the pandemic, the charity was thus able to continue to provide high quality weekly music education for children and teenagers, often in adapted form to suit online delivery; while live, conducted normal annual concert assessments marked by a panel of judges; while live staged concerts in the local community (September to early March) and series of online concerts (April to July); ran live and online workshops for children and teenagers and adults; did two residential courses for string players in a countryside location in the autumn term 2019; taught weekend courses with specialist tutors, both live and online; prepared children for external exam entry; successfully enabled students to gain 16 music places and scholarships to secondary schools, sixth forms and the Junior Departments of the London senior conservatoires. This amounts to 76 awards in the last 5 years. Through adaptation where necessary, the school moved all its operations online from March end to July, with continued individual and group lessons, ensemble, orchestral, choral and chamber music rehearsals and although it could not continue the adult choir beyond March (which is open to parents and other adults in the community), it did try to do this until it became obvious the confidence was insufficient among the members to warrant continuing. Further provision for children and teenagers was made online in the form of short videos for learning and also for pleasure, which were made available to as many people as possible within the school's remit, as well as special creative projects linking music with art, which were very well received, as most children were receiving no schooling of any kind at the time.

The Saturday school at Middlesex University Music Department entered its fourth year and continued to develop, with a further 10 instrumental students joining the 14 already there. Instrumental numbers remained largely stable throughout the year (the desired outcome, with no plan to increase the number other than annually from the kindergarten) as space is short. Plans to increase provision for the local community in September 2020 at Middlesex University could not be taken further because of uncertainties created by the lockdown and the effect on external institutions' confidence in decision-making in the short-term.

Over the academic year, numbers taking kindergarten tuition dropped in the summer term because inevitably, only a few new parents signed up for online tuition. This left some classes that would normally have been full, empty, in spite of strong efforts across the department to increase the numbers via a range of methods. New advertising was distributed in July and August with a view to regaining numbers in September. Contingency measures that were put in place in 2017-19 to improve availability for the 3-4 age group worked well in the first two terms and will be continued in the future. Numbers at the end of the previous academic year were 490; in September 2019-20, 372 children were re-enrolled for further kindergarten and 120 were registered to move from kindergarten to instrumental tuition. Numbers dropped to 343 in July 2020 and did not recover to normal levels before the end of August because of anxiety about the future. However, the overall results for the year were extraordinarily good, considering the potentially negative effect the pandemic could have had on the school and credit must go to all those concerned for their commitment to continuing the excellent provision and spirit throughout the school and doing whatever was necessary to make it work. Many parents were very complimentary about the quality of provision and speed of adaptation.

In addition to the bursary fund, which was already supporting 63 students at a cost of £30,000, a "Covid Hardship Fund" was set up to assist with fees for families where income losses were so great that their children would otherwise have had to leave the school, in many cases after many years of study. The Hardship Fund

TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020

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**Objectives and activities (continued)**

was able to provide an additional £10,000 of reductions and an additional 65 children to continue studying in the summer term. Although initially the fear was that many people would want to leave the school because of the pandemic, such was the efficiency and skill of the teachers and staff that losses were minimised very effectively: approximately 20 of the youngest Kindergarten members left because of the great difficulty of children under 3 being able to focus on a screen for classes but most said they would rejoin later; approximately 15 of the instrumental students left directly because of the pandemic. These latter are unlikely to return in the future. The total number of leavers in July 2020 was therefore slightly higher than the usual average but the strenuous and focussed efforts to retain students paid off handsomely and showed the loyalty many of the parent body and students have for the school.

Accommodation and venues continues to be occasionally challenging. Some Saturday Kindergarten classes were forced to move venue last year and again this year, with a favoured venue for Saturday Kindergarten classes and concerts beginning refurbishment, necessitating a move to other premises which were then closed for the foreseeable future. Another venue that the school had used for 4 days per week removed all its users over the summer break, as a result of the inability to clean premises to a high enough standard for continued use by the public during the pandemic; the school could not undertake to do the cleaning itself, given the venue's particular circumstances and was forced to find alternative accommodation. Ultimately, space was negotiated at the current main venue, though this is not entirely ideal. A commitment was made for two years. Continuing uncertainties about future space prevail and more space could easily be used. The quality of the main accommodation also continues to challenge, with the lack of sound-proofing being a particular point of difficulty from time to time and noise leaking from windows as well as through walls. Discussions around this issue with the building's owner are ongoing. Their plans for replacement windows have been put on hold for the time being but it is to be hoped that this will happen in the near future.

Throughout the year, best practice within the profession continued to be promoted by encouraging visitors and presenting seminars to interested parties including parents and teachers and full-time music students until March 2020. Beyond that, best practice was shared by the NLC with a school in Dublin and other professional organisations online and some mutual gains were made.

In external provision, the charity had intended to provide at two free weeks of music tuition ("music weeks") to local primary schools with very little or no music provision but as this is normally in the summer term, plans had to be shelved. This was agreed to be reinstated as soon as possible.

The financial position in 2019-20 remained strong in spite of some loss of students; many parents continued to be able to pay full fees and the school made strenuous efforts to ensure that the online provision satisfied the demands of the students and parents throughout, adding to it as it saw the need, or as an extra, or in additional time given free of charge to compensate for poor connections in some cases. Negotiations enabled some pausing of weekly rents for external classes and the savings were passed on in bursary/hardship form. Various expenses were incurred that were unique to the pandemic, including in planning for the next academic year, in anticipation of the distancing and additional cleaning that would need to take place. Activities take longer online and require careful set-up, particularly with timings and sheer numbers and teachers were paid an extra amount at the end of the academic year to compensate them to some degree for the extra effort and time spent in managing online tuition. This was well worth the payments in terms of cost-effective outcome in efficiency and the satisfaction of the parents about the quality of the lessons.

TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020

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**Objectives and activities (continued)**

**c. Activities undertaken to achieve objectives**

During the pre-lockdown period, the charity concentrated on continuing to develop its operations and focussed on several key areas: improving the reach of advertising; increasing the bursary provision; reviewing admin practices to increase speed and efficiency; until the lockdown, continuing to implement the new kindergarten strategy; on continuing to improve provision for piano students by increased workshops and projects, which proved very beneficial in the retention of students at the higher levels (Y9-13). Other ventures had to be put on hold with the extreme demands of re-working the entire school for online tuition.

However, plans for the following year were put in place in the summer term and break and in particular, the start of a new advanced Saturday School – the “Flying School” – to cater for the keenest and most motivated students in Y8 upwards, with a range of activities, workshops and lectures and dedicated chamber music, that they would find comparable to those on offer at the Senior Conservatoires’ Junior Departments. This is intended to stop the need for students to feel that they are somehow missing out by staying at the school instead of pursuing external opportunities. The plan is for this advanced school will be expanded in the next 3-5 years. Further opportunities within the community will be sought, including with Middlesex University, once the lockdown is over.

**Achievements and performance**

**a. Key performance indicators**

The results are reported within the financial statements and the charity's assets are sufficient to meet its obligations.

The principal funding sources are by way of instrumental teaching and specific income received from the running of the kindergarten. Key performance indicators utilised are gross margin and EBITDA.

**b. Review of activities**

The results are reported within the financial statements and the charity's assets are sufficient to meet its obligations, which is the principal financial management policy of the charity.

The principal funding sources are by way of instrumental teaching and specific income received from the running of the kindergarten.

Total incoming resources in the period were £1,352,642 (2019: £1,307,852). The surplus for the year is £28,975 (2019: £173).

**c. Factors relevant to achieve objectives**

There are various factors relevant to the charity achieving its objectives. Factors within and outside the charity's control are reviewed regularly as part of the risk management procedures. As noted above, the major risk to the charity is the volatility of voluntary income. Other key factors within the charity's control include relationships with its trustees and employees.

**Financial review**

TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020

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**a. Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**b. Material investments policy**

Where applicable, funds have been invested in instant access bank or building society deposit accounts and interest is earned on the balance.

**c. Principal funding**

All funding is received in respect of the various services provided.

**Structure, governance and management**

**a. Constitution**

The charity was registered on 19 May 2015 and commenced trading on that date. The principal object of the charity is to provide musical education in accordance with the principals and practices as taught by Zoltan Kodaly.

**b. Methods of appointment or election of Trustees**

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the constitution.

**c. Organisational structure and decision-making policies**

The charity is governed by a board which is responsible for setting the strategic direction of the organisation and for establishing policy.

The board meets as a body on a termly basis as part of the termly committee meeting or in addition to, depending on the nature of business to be discussed. Otherwise, matters are addressed face to face or by phone as necessary.

At the committee meetings, the trustees' report is tabled, as well as the latest financial information.

**d. Policies adopted for the induction and training of Trustees**

The trustees are already familiar with the charity's aims and objectives as this is considered a prerequisite to their election as trustees.

**e. Pay policy for key management personnel**

The charity pays its staff in accordance with the accepted prevailing market rates in the sector.



TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020

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**Structure, governance and management (continued)**

**f. Financial risk management**

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

The trustees regularly review procedures to minimise risk to assets and income, and to ensure that where risks are identified, procedures are in place to alleviate them as far as possible. For the major risks identified the trustees have put in place appropriate measures to manage those risks. The major risk to the charity is the volatility of voluntary income.

The trustees continue to keep the charity activities under review, particularly with regard to any major risks that may arise from time to time and to monitor the effectiveness of the system of internal controls.

**Plans for future periods**

The trustees continue to ensure risk is minimised with regard to its assets and income, and to ensure that where risks are identified, procedures are in place to alleviate them as far as possible. For the major risks identified, the trustees have put in place appropriate measures to manage those risks. The major risk to the charity is the volatility of voluntary income.

Running costs are continually reviewed and savings are made appropriately in line with maintaining full operational delivery. Projected figures for sustaining viability are reviewed and adjusted in line with maintaining the services and meeting needs.

**Statement of Trustees' responsibilities**

The Trustees 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).

The law applicable to charities in England & Wales 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 charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Charity Commission Scheme. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**THE NORTH LONDON CONSERVATOIRE**

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**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**Auditors**

The auditors, Landau Baker Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 11 May 2021 and signed on their behalf by:

**Mr P West**  
Trustee

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## THE NORTH LONDON CONSERVATOIRE

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NORTH LONDON CONSERVATOIRE

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#### Opinion

We have audited the financial statements of The North London Conservatoire (the 'charity') for the year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2020 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 Charities Act 2011.

#### 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charity'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.

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## THE NORTH LONDON CONSERVATOIRE

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NORTH LONDON CONSERVATOIRE (CONTINUED)

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#### 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 Auditors' 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

#### Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

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## THE NORTH LONDON CONSERVATOIRE

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NORTH LONDON CONSERVATOIRE (CONTINUED)

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#### **Auditors' 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 Auditors' 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Landau Baker Limited**

Chartered Accountants  
Statutory Auditors

Mountcliff House

154 Brent Street

London

NW4 2DR

11 May 2021

Landau Baker Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**THE NORTH LONDON CONSERVATOIRE**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
<b>Income from:</b>				
Charitable activities	3	1,352,642	1,352,642	1,307,852
<b>Total income</b>		<u>1,352,642</u>	<u>1,352,642</u>	<u>1,307,852</u>
<b>Expenditure on:</b>				
Charitable activities	4	1,323,667	1,323,667	1,307,679
<b>Total expenditure</b>		<u>1,323,667</u>	<u>1,323,667</u>	<u>1,307,679</u>
<b>Net movement in funds</b>		<u>28,975</u>	<u>28,975</u>	<u>173</u>
<b>Reconciliation of funds:</b>				
Total funds brought forward		(15,871)	(15,871)	(16,044)
Net movement in funds		28,975	28,975	173
<b>Total funds carried forward</b>		<u>13,104</u>	<u>13,104</u>	<u>(15,871)</u>

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

The notes on pages 14 to 25 form part of these financial statements.

**THE NORTH LONDON CONSERVATOIRE**

**BALANCE SHEET  
AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	9	-	104,000
Tangible assets	10	1,197	2,394
		<u>1,197</u>	<u>106,394</u>
<b>Current assets</b>			
Debtors	11	1,734	1,074
Cash at bank and in hand		181,897	127,616
		<u>183,631</u>	<u>128,690</u>
Creditors: amounts falling due within one year	12	(171,724)	(160,955)
<b>Net current assets / liabilities</b>		<u>11,907</u>	<u>(32,265)</u>
<b>Total assets less current liabilities</b>		<u>13,104</u>	<u>74,129</u>
Creditors: amounts falling due after more than one year	13	-	(90,000)
<b>Net assets / liabilities excluding pension asset</b>		<u>13,104</u>	<u>(15,871)</u>
<b>Total net assets</b>		<u><u>13,104</u></u>	<u><u>(15,871)</u></u>
<b>Charity funds</b>			
Restricted funds	14	-	-
Unrestricted funds	14	13,104	(15,871)
<b>Total funds</b>		<u><u>13,104</u></u>	<u><u>(15,871)</u></u>

The financial statements were approved and authorised for issue by the Trustees on 11 May 2021 and signed on their behalf by:

**Mr P West**  
Trustee

The notes on pages 14 to 25 form part of these financial statements.

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## THE NORTH LONDON CONSERVATOIRE

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1. General information

The North London Conservatoire is an unincorporated charity registered in England and Wales with the registration number 1161732. The address of the registered office is 76 St James Lane, London. N10 3RD.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The North London Conservatoire meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

##### 2.2 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

##### 2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

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**2. Accounting policies (continued)**

**2.4 Intangible assets and amortisation**

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Goodwill	-	20 % straight line basis
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**2.5 Tangible fixed assets and depreciation**

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Instruments	-	25% straight line basis
Computer equipment	-	25% straight line basis

**2.6 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.7 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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## THE NORTH LONDON CONSERVATOIRE

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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#### 2. Accounting policies (continued)

##### 2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

##### 2.9 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

##### 2.10 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

##### 2.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

#### 3. Income from charitable activities

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Instrumental teaching	1,140,695	<b>1,140,695</b>
Kindergarten	184,760	<b>184,760</b>
Sales of Materials	7,613	<b>7,613</b>
Other Income	19,574	<b>19,574</b>
<b>Total 2020</b>	<u>1,352,642</u>	<u><b>1,352,642</b></u>

**THE NORTH LONDON CONSERVATOIRE**

**NOTES TO THE FINANCIAL STATEMENTS  
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**3. Income from charitable activities (continued)**

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Instrumental Teaching	1,092,266	1,092,266
Kindergarten	184,898	184,898
Sales of Materials	10,002	10,002
Other Income	20,686	20,686
<i>Total 2019</i>	<i>1,307,852</i>	<i>1,307,852</i>

**4. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Musical education	1,323,667	1,323,667

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Instrumental Teaching	<i>1,307,679</i>	<i>1,307,679</i>

**Summary by expenditure type**

	<b>Staff costs 2020 £</b>	<b>Depreciation 2020 £</b>	<b>Other costs 2020 £</b>	<b>Total funds 2020 £</b>
Musical education	249,662	1,197	1,072,808	1,323,667

**THE NORTH LONDON CONSERVATOIRE**

**NOTES TO THE FINANCIAL STATEMENTS  
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**4. Analysis of expenditure on charitable activities (continued)**

**Summary by expenditure type (continued)**

	<i>Staff costs 2019 £</i>	<i>Depreciation 2019 £</i>	<i>Other costs 2019 £</i>	<i>Total funds 2019 £</i>
Instrumental Teaching	244,883	6,572	1,056,224	1,307,679

**5. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>
Instrumental Teaching	908,013	415,654	1,323,667

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Instrumental Teaching	901,756	405,923	1,307,679

**Analysis of direct costs**

	<b>Instrumenta l Teaching 2020 £</b>	<b>Total funds 2020 £</b>
Teaching fees	739,842	739,842
Rent of halls	162,462	162,462
Materials for resale	5,709	5,709
	908,013	908,013

**THE NORTH LONDON CONSERVATOIRE**

**NOTES TO THE FINANCIAL STATEMENTS  
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**5. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

	<i>Instrumental Teaching 2019 £</i>	<i>Total funds 2019 £</i>
Teaching fees	710,125	710,125
Rent of halls	184,130	184,130
Materials for resale	7,501	7,501
	<u>901,756</u>	<u>901,756</u>

**Analysis of support costs**

	<b>Instrumental Teaching 2020 £</b>	<b>Total funds 2020 £</b>
Staff costs	249,662	<b>249,662</b>
Depreciation	1,197	<b>1,197</b>
Advertising	3,775	<b>3,775</b>
Insurance	5,241	<b>5,241</b>
Materials for resale	4,155	<b>4,155</b>
Travel & subsistence	859	<b>859</b>
Telephone	1,574	<b>1,574</b>
Post & Stationery	8,975	<b>8,975</b>
Bank charges and interest	6,111	<b>6,111</b>
Repairs & maintenance	9,650	<b>9,650</b>
Bad debt	863	<b>863</b>
Miscellaneous expenses	13,711	<b>13,711</b>
Amortisation	104,000	<b>104,000</b>
Accountancy and audit fees	5,881	<b>5,881</b>
	<u>415,654</u>	<u><b>415,654</b></u>

**THE NORTH LONDON CONSERVATOIRE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**5. Analysis of expenditure by activities (continued)**

**Analysis of support costs (continued)**

	<i>Instrumental Teaching 2019 £</i>	<i>Total funds 2019 £</i>
Staff costs	244,883	244,883
Depreciation	6,572	6,572
Advertising	4,749	4,749
Insurance	4,925	4,925
Materials for resale	2,207	2,207
Travel & Subsistence	1,951	1,951
Telephone	1,531	1,531
Post & Stationery	7,872	7,872
Bank charges and interest	5,875	5,875
Repairs & maintenance	3,374	3,374
Bad debt	100	100
Miscellaneous expenses	11,974	11,974
Amortisation	104,000	104,000
Accountancy and audit fees	5,910	5,910
	405,923	405,923
	405,923	405,923

**6. Auditors' remuneration**

	<b>2020 £</b>	2019 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	<b>3,400</b>	3,260
	<b>3,400</b>	3,260

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**THE NORTH LONDON CONSERVATOIRE**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**7. Staff costs**

	<b>2020</b>	<i>2019</i>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>205,197</b>	<i>199,623</i>
Social security costs	<b>34,085</b>	<i>39,298</i>
Contribution to defined contribution pension schemes	<b>10,380</b>	<i>5,962</i>
	<b>249,662</b>	<i>244,883</i>

The average number of persons employed by the charity during the year was as follows:

	<b>2020</b>	<i>2019</i>
	<b>No.</b>	<i>No.</i>
Support Staff	<b>6</b>	<i>6</i>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>2020</b>	<i>2019</i>
	<b>No.</b>	<i>No.</i>
In the band £80,001 - £90,000	<b>1</b>	<i>1</i>

**8. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (*2019 - £NIL*).

During the year ended 31 August 2020, no Trustee expenses have been incurred (*2019 - £NIL*).

**THE NORTH LONDON CONSERVATOIRE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**9. Intangible assets**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 September 2019	520,000
At 31 August 2020	520,000
<b>Amortisation</b>	
At 1 September 2019	416,000
Charge for the year	104,000
At 31 August 2020	520,000
<b>Net book value</b>	
At 31 August 2020	-
At 31 August 2019	104,000

**10. Tangible fixed assets**

	<b>Plant and machinery £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 September 2019	21,500	4,788	26,288
At 31 August 2020	21,500	4,788	26,288
<b>Depreciation</b>			
At 1 September 2019	21,500	2,394	23,894
Charge for the year	-	1,197	1,197
At 31 August 2020	21,500	3,591	25,091



**THE NORTH LONDON CONSERVATOIRE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**10. Tangible fixed assets (continued)**

	Plant and machinery £	Computer equipment £	Total £
<b>Net book value</b>			
At 31 August 2020	-	1,197	1,197
<i>At 31 August 2019</i>	-	2,394	2,394

**11. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	1,322	674
Other debtors	412	400
	1,734	1,074

**12. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Payments received on account	27,675	29,225
Trade creditors	-	3,038
Other taxation and social security	8,849	10,034
Loan	90,000	90,000
Accruals and deferred income	45,200	28,658
	171,724	160,955

**13. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Loan	-	90,000

**THE NORTH LONDON CONSERVATOIRE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**14. Statement of funds**

**Statement of funds - current year**

	<b>Balance at 1 September 2019 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Balance at 31 August 2020 £</b>
<b>Unrestricted funds</b>				
General Funds - all funds	<u>(15,871)</u>	<u>1,352,642</u>	<u>(1,323,667)</u>	<u>13,104</u>

**Statement of funds - prior year**

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 August 2019 £</i>
<b>Unrestricted funds</b>				
General Funds - all funds	<u>(16,044)</u>	<u>1,307,852</u>	<u>(1,307,679)</u>	<u>(15,871)</u>

**15. Summary of funds**

**Summary of funds - current year**

	<b>Balance at 1 September 2019 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Balance at 31 August 2020 £</b>
General funds	<u>(15,871)</u>	<u>1,352,642</u>	<u>(1,323,667)</u>	<u>13,104</u>

**Summary of funds - prior year**

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 August 2019 £</i>
General funds	<u>(16,044)</u>	<u>1,307,852</u>	<u>(1,307,679)</u>	<u>(15,871)</u>

**THE NORTH LONDON CONSERVATOIRE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**16. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Tangible fixed assets	1,197	<b>1,197</b>
Current assets	183,631	<b>183,631</b>
Creditors due within one year	(171,724)	<b>(171,724)</b>
<b>Total</b>	<u>13,104</u>	<u><b>13,104</b></u>

**Analysis of net assets between funds - prior period**

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	2,394	2,394
Intangible fixed assets	104,000	104,000
Current assets	128,690	128,690
Creditors due within one year	(160,955)	(160,955)
Creditors due in more than one year	(90,000)	(90,000)
<b>Total</b>	<u>(15,871)</u>	<u>(15,871)</u>

**17. Pension commitments**

"The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £10,380 (2019 - £5,962).