

**THE NORTH LONDON CONSERVATOIRE
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

THE NORTH LONDON CONSERVATOIRE

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THE NORTH LONDON CONSERVATOIRE

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2021

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

b. Strategies for achieving objectives

The year September 2020-August 2021 was expected to be easier than 2019-20 and although this was true in some respects, with many of the systems necessary for practical teaching in a variety of ways already being in place, it was not known how long the Covid-19 pandemic would continue or how it might develop regarding increased / decreased risk / rule changes / lockdowns or other restrictive situations. There was therefore still a great deal of uncertainty about how much could be planned, plus management of rooms, numbers of people, distancing/sanitising/enforcement/reporting, how to maintain standards under these circumstances, provide public opportunities for performance and how to gain as much teaching time in person as was humanly possible. In addition, working from home for the administrative staff meant that access to essential information was slower and more cumbersome, as well as putting a strain on their mental health from personal circumstances. Staff returned to the office at first part-time and then more as term progressed, with precautions in place.

The school's management and administrative work was increased immensely by the continuous adaptations required and the effect on its own policies and systems, including daily reports of infections to and from families, classes, teachers and sometime NHS England in such a way as to alert individuals of the situation and risk without causing alarm and upsetting of the planned trajectory. All these things represented a huge burden of time and effort that took a toll on everyone, but particularly on the staff. Staff and teachers, however, worked extraordinarily hard and well to deliver on all fronts and many, many families expressed their admiration and gratitude for the results that were often particularly cited as benefitting their children and families in social as well as musical ways.

As only one term had been completed under Covid-19 conditions by September 2020, it was necessary to continue to develop new policies and procedures over the next two terms. Extra time was taken in the summer break to design flexibility into the timetable to allow half the school to be live while half had lessons online, alternating this from week to week to reduce numbers overall in the building at any one time, thus reducing the likelihood of passing on the virus to more people. This was done for the first four weeks of the autumn term, followed by fully live teaching in October and then a return to online teaching in the last two weeks of term before Christmas, to try to prevent more people than necessary contracting Covid for the holiday period. This option met with approval from parents. For the Spring Term, the school was obliged to remain online; a return to live teaching was possible only in the Summer Term.

Online-only lessons continued to be provided for vulnerable children and families and to reduce the possibility of spread by continuing to adopt recommended procedures in the classrooms, such as distancing of group sessions with an effective reporting system of infection and absence/return. The school could not run its usual residential courses for children aged 10-18; the charity was able to provide free 'booster' courses for the beginners who had had at least a third of their lessons without personal contact and intervention from the teacher (which contact ensures a high degree of technical skill). Parents were uniformly delighted at the provision, not just musically but also because the courses integrated their children socially, something which had been almost entirely lacking for a year, and there was roughly a 95% take-up rate. These 'booster' courses were planned to continue and expand into higher age groups in the following year as a free addition to the programme the school can offer to enhance its youngest students' learning very effectively and in an inspirational way - an unforeseen benefit of the pandemic.

Given that performance is a key part of every child's musical experience and development in the school, it was regrettable that the rules did not permit the school to provide its usual number and types of live concerts. However, a large number of online concerts were staged successfully online and as the pandemic developed and rules were slowly relaxed, there was a return to some live concerts as well, though smaller than usual. There were also workshops run regularly online and orchestra and ensemble rehearsals continued as usual but online, some with more success than others.

In November, February and June, Concert Days, of which there are normally roughly 180 per annum, happened online but in February and June, there was provision of a limited number of live, distanced concerts as well,

THE NORTH LONDON CONSERVATOIRE

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

mostly for more advanced students who needed piano accompaniment. Our usual, large, public Showcase Concerts could not run at all during the year because government rules would have had to be broken to do so and parents would have been unlikely to be comfortable with allowing their children to participate or they themselves to attend.

Our annual March assessments were conducted for the first time online with a major rethink of format; these were very well-received and detailed feedback was given at the time instead of in written reports. Regarding external examinations, a number of students were able to enter for the new-style video-exam formulated by the main exam board and did exceptionally well, with all but one or two gaining Distinctions, mainly at Grades 6, 7 and 8.

The usual round of music scholarship applications for secondary school went ahead and the school successfully enabled students to gain 17 music places and scholarships to secondary schools, sixth forms and the Junior Departments of the London senior conservatoires.

The Saturday school at Middlesex University Music Department entered its fifth year and continued to develop, with an expected further small group of instrumental students joining the roll there. Plans to use the premises for event during 2020-21 were not possible but will be revisited, as will plans to increase provision for the local community at Middlesex University. Uncertainties created by the lockdown and the effect on external institutions' confidence in decision-making in the short-term also played a part in this.

Instrumental numbers across the school altogether 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.

Kindergarten numbers had suffered during the period from Summer 2020 to Easter 2021 because of reluctance or inability for the youngest children to engage in online classes. A big push to galvanise people to enrol was made in Summer 2021 with very positive effects, a great amount of attention being given to allaying fears of parents regarding the virus and precautions. Number rose from 427 at the end of the Spring Term 2021 to 495 children by the end of the Summer Term. This was very pleasing under the circumstances and was a near return to normal. In September 2021, looking into the next academic year, 125 of the previous children had enrolled for instrumental tuition so the kindergarten numbers dropped to around 382 for the start of the following year but this was better than expected and again, more or less normal.

It was evident that the Covid Hardship Fund that had been set up in March 2020, would continue to be needed to tide over many people whose circumstances had worsened or means of support had disappeared because of the pandemic. Decisions had to be made to determine need across the Hardship Fund and the Bursary Fund. In total, discounts for hardship, bursaries, siblings etc amounted to £94,298 for the year. Throughout the year, best practice within the profession continued to be promoted within the school but exchanges and visits were severely limited by circumstances. Limitations also prevented the school for a second year running from being able to provide its usual music weeks to local primary schools but will be reinstated as soon as circumstances allow.

The financial position in 2020-21 remained strong in spite of conditions, but this was entirely due to the fact that the Goodwill had been fully amortised by the end of August 2020. The loyalty of many families increased with the greater insight into classes through home-learning by their children on Zoom and new or refreshed recognition of the importance that music played in their own and their children's lives. This was another unforeseen benefit. Many occasions were identified as being suitable for giving back extra to parents in compensation for the previous year and the January-March term 2021 in particular.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

During the pandemic period September 2020-August 2021, the school was able to increase provision for the youngest children to some extent and the charity concentrated on continuing to develop its operations, focussing on the following key areas: improving the contact time of the youngest students as much as possible to compensate for the lacks of the previous year; improving provision for all other students in Y2 and Y3, who were the next most likely to have missed out on skills because of online learning; maximising contact where possible; working hard to redress the balance with many students who were suffering from anxiety issues in returning to face-to-face lessons; working with parents to reassure them of our best efforts in continuing to minimise the effects of the virus while continuing in a normal way as far as possible. The school improved its advertising cost/benefit ratio, trying new outlets that reached more people with young children, particularly through social media, and reenergised the kindergarten strategy, with good results; it provided free workshops where possible to children and offered online tuition until the summer term for vulnerable children and/or parents/grandparents; and continued to work to improve retention of the older students (Y9-Y13) with more meetings for parents and more meetings with the students themselves individually to talk through their concerns and improve individual timetables. Short chamber music sessions were included in timetables in the summer term in an effort to include anyone who could not attend an ensemble in a situation of sharing music with others. Online meetings for parents went ahead as normal throughout the year.

The 'Flying School', the conservatoire's advanced school for the most talented or keenest students, returned to live tuition. The appeal of this advanced school, which operates within the Saturday timetable, seems to be mainly to Y7-Y11 students and further plans will include an attempt to secure a dedicated physical space for it, perhaps within another venue, surrounded by other older conservatoire students, instead of being within the existing 5-19 years venue. This may not immediately be achievable and may prevent some students from attending if too distant from the main site. Feedback is frequently sought. Responses have been overwhelmingly enthusiastic, with a dedicated chamber music specialist coach for groups that should continue in the same formulation from year to year to create some excellent quartets. Other provision has included courses in History and Analysis, Composition (including composing pieces for their classes to perform together while learning), Alexander Technique, piano studies and Harmony & Counterpoint. Future plans will include the addition of Keyboard Harmony, more time on Alexander Technique, sessions on Performance Technique and Practising as Advanced Students, Opera, Development of Melody and Harmony around the World and a special concert series for Scholars.

Adult Music Appreciation classes were not able to run during 2020-21: this would have been overburdening staff and teachers; these popular classes will be resumed as soon as possible. The same applies to the Adult Choir, which although offered in the Summer Term 2021, did not have sufficient take-up rate to run successfully. Numbers from Kindergarten logged to start instrumental tuition in September totalled 120..

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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Achievements and performance (continued)

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 £1,338,838 (2020: £1,352,642). The surplus for the year is £84,145 (2020: £28,975).

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

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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

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.

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.

THE NORTH LONDON CONSERVATOIRE

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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 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.

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 31 May 2022 and signed on their behalf by:



Mr P West
Trustee

THE NORTH LONDON CONSERVATOIRE

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

Opinion

We have audited the financial statements of The North London Conservatoire (the 'charity') for the year ended 31 August 2021 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 2021 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

THE NORTH LONDON CONSERVATOIRE

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

THE NORTH LONDON CONSERVATOIRE

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the nature of the industry and its control environment, and reviewed the academy's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also inquired about management's own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the academy operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and Charities SORP Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

The audit engagement team analysed the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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. This description forms part of our Auditors' report.

THE NORTH LONDON CONSERVATOIRE

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

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

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

31 May 2022

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 2021**

| | Note | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|------------------------------------|------|------------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | |
| Charitable activities | 3 | 1,338,838 | 1,338,838 | 1,352,642 |
| Total income | | <u>1,338,838</u> | <u>1,338,838</u> | <u>1,352,642</u> |
| Expenditure on: | | | | |
| Charitable activities | 4 | 1,254,693 | 1,254,693 | 1,323,667 |
| Total expenditure | | <u>1,254,693</u> | <u>1,254,693</u> | <u>1,323,667</u> |
| Net movement in funds | | <u>84,145</u> | <u>84,145</u> | <u>28,975</u> |
| Reconciliation of funds: | | | | |
| Total funds brought forward | | 13,104 | 13,104 | (15,871) |
| Net movement in funds | | 84,145 | 84,145 | 28,975 |
| Total funds carried forward | | <u>97,249</u> | <u>97,249</u> | <u>13,104</u> |

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

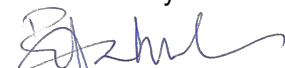
The notes on pages 15 to 24 form part of these financial statements.

THE NORTH LONDON CONSERVATOIRE

**BALANCE SHEET
AS AT 31 AUGUST 2021**

| | Note | 2021 £ | 2020 £ |
|--|------|----------------|----------------|
| Fixed assets | | | |
| Tangible assets | 10 | - | 1,197 |
| | | <u>-</u> | <u>1,197</u> |
| Current assets | | | |
| Debtors | 11 | 2,155 | 1,734 |
| Cash at bank and in hand | | 171,390 | 181,897 |
| | | <u>173,545</u> | <u>183,631</u> |
| Creditors: amounts falling due within one year | 12 | (76,296) | (171,724) |
| | | <u>97,249</u> | <u>11,907</u> |
| Net current assets | | 97,249 | 11,907 |
| Total assets less current liabilities | | 97,249 | 13,104 |
| Net assets excluding pension asset | | 97,249 | 13,104 |
| Total net assets | | 97,249 | 13,104 |
| Charity funds | | | |
| Restricted funds | 13 | - | - |
| Unrestricted funds | 13 | 97,249 | 13,104 |
| | | <u>97,249</u> | <u>13,104</u> |
| Total funds | | 97,249 | 13,104 |

The financial statements were approved and authorised for issue by the Trustees on 31 May 2022 and signed on their behalf by:



Mr P West
Trustee

The notes on pages 15 to 24 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 2021

2. Accounting policies (continued)

2.4 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 |

2.5 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.

2.6 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.

2.7 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.

2.8 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. Accounting policies (continued)

2.9 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.

2.10 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

| | Unrestricted funds 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|-----------------------|--|---------------------------------------|---------------------------------------|
| Instrumental teaching | 1,147,120 | 1,147,120 | 1,140,695 |
| Kindergarten | 171,525 | 171,525 | 184,760 |
| Sales of Materials | 9,945 | 9,945 | 7,613 |
| Other Income | 10,248 | 10,248 | 19,574 |
| Total 2021 | <u>1,338,838</u> | <u>1,338,838</u> | <u>1,352,642</u> |
| <i>Total 2020</i> | <u>1,352,642</u> | <u>1,352,642</u> | |

4. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|-------------------|--|---------------------------------------|---------------------------------------|
| Musical education | 1,254,693 | 1,254,693 | 1,323,667 |
| <i>Total 2020</i> | <u>1,323,667</u> | <u>1,323,667</u> | |

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

Summary by expenditure type

| | Staff costs 2021 £ | Depreciation 2021 £ | Other costs 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-------------------|-----------------------------------|------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
| Musical education | 282,773 | 1,197 | 970,723 | 1,254,693 | 1,323,667 |
| <i>Total 2020</i> | <u>249,662</u> | <u>1,197</u> | <u>1,072,808</u> | <u>1,323,667</u> | |

5. Analysis of expenditure by activities

| | Activities undertaken directly 2021 £ | Support costs 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-----------------------|--|---|---------------------------------------|---------------------------------------|
| Instrumental Teaching | 926,541 | 328,152 | 1,254,693 | 1,323,667 |
| <i>Total 2020</i> | <u>908,013</u> | <u>415,654</u> | <u>1,323,667</u> | |

Analysis of direct costs

| | Instrumenta l Teaching 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|----------------------|--|---------------------------------------|---------------------------------------|
| Teaching fees | 749,645 | 749,645 | 739,842 |
| Rent of halls | 169,438 | 169,438 | 162,462 |
| Materials for resale | 7,458 | 7,458 | 5,709 |
| | <u>926,541</u> | <u>926,541</u> | <u>908,013</u> |
| <i>Total 2020</i> | <u>908,013</u> | <u>908,013</u> | |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Instrumenta l Teaching 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|----------------------------|--|---------------------------------------|---------------------------------------|
| Staff costs | 282,773 | 282,773 | 249,662 |
| Depreciation | 1,197 | 1,197 | 1,197 |
| Advertising | 5,560 | 5,560 | 3,775 |
| Insurance | 4,757 | 4,757 | 5,241 |
| Materials for resale | 2,313 | 2,313 | 4,155 |
| Travel & subsistence | 836 | 836 | 859 |
| Telephone | 1,642 | 1,642 | 1,574 |
| Post & Stationery | 7,778 | 7,778 | 8,975 |
| Bank charges and interest | 7,071 | 7,071 | 6,111 |
| Repairs & maintenance | 2,696 | 2,696 | 9,650 |
| Bad debt | 2,484 | 2,484 | 863 |
| Miscellaneous expenses | 3,807 | 3,807 | 13,711 |
| Amortisation | - | - | 104,000 |
| Accountancy and audit fees | 5,238 | 5,238 | 5,881 |
| | <u>328,152</u> | <u>328,152</u> | <u>415,654</u> |
| <i>Total 2020</i> | <u>415,654</u> | <u>415,654</u> | |

6. Auditors' remuneration

| | 2021 £ | <i>2020 £</i> |
|--|-------------------|-------------------|
| Fees payable to the charity's auditor for the audit of the charity's annual accounts | 3,400 | 3,400 |

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Staff costs

| | 2021 | <i>2020</i> |
|--|----------------|----------------|
| | £ | £ |
| Wages and salaries | 229,280 | <i>205,197</i> |
| Social security costs | 41,629 | <i>34,085</i> |
| Contribution to defined contribution pension schemes | 11,864 | <i>10,380</i> |
| | 282,773 | <i>249,662</i> |

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

| | 2021 | <i>2020</i> |
|---------------|-------------|-------------|
| | No. | <i>No.</i> |
| Support Staff | 6 | <i>6</i> |

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

| | 2021 | <i>2020</i> |
|-------------------------------|-------------|-------------|
| | No. | <i>No.</i> |
| In the band £80,001 - £90,000 | 1 | <i>1</i> |

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (*2020 - £NIL*).

During the year ended 31 August 2021, no Trustee expenses have been incurred (*2020 - £NIL*).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Intangible assets

| | Goodwill £ |
|-----------------------|---------------|
| Cost | |
| At 1 September 2020 | 520,000 |
| At 31 August 2021 | 520,000 |
| Amortisation | |
| At 1 September 2020 | 520,000 |
| At 31 August 2021 | 520,000 |
| Net book value | |
| At 31 August 2021 | - |
| At 31 August 2020 | - |

10. Tangible fixed assets

| | Plant and machinery £ | Computer equipment £ | Total £ |
|--------------------------|-----------------------------|----------------------------|------------|
| Cost or valuation | | | |
| At 1 September 2020 | 21,500 | 4,788 | 26,288 |
| At 31 August 2021 | 21,500 | 4,788 | 26,288 |
| Depreciation | | | |
| At 1 September 2020 | 21,500 | 3,591 | 25,091 |
| Charge for the year | - | 1,197 | 1,197 |
| At 31 August 2021 | 21,500 | 4,788 | 26,288 |
| Net book value | | | |
| At 31 August 2021 | - | - | - |
| At 31 August 2020 | - | 1,197 | 1,197 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Tangible fixed assets (continued)

11. Debtors

| | 2021 £ | 2020 £ |
|----------------------------|--------------|--------------|
| Due within one year | | |
| Trade debtors | 2,155 | 1,322 |
| Other debtors | - | 412 |
| | <u>2,155</u> | <u>1,734</u> |

12. Creditors: Amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------------|---------------|----------------|
| Payments received on account | 29,633 | 27,675 |
| Other taxation and social security | 6,863 | 8,849 |
| Loan | - | 90,000 |
| Accruals and deferred income | 39,800 | 45,200 |
| | <u>76,296</u> | <u>171,724</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

13. Statement of funds

Statement of funds - current year

| | Balance at 1 September 2020 | Income | Expenditure | Balance at 31 August 2021 |
|---------------------------|--|------------------|--------------------|--|
| | £ | £ | £ | £ |
| Unrestricted funds | | | | |
| General Funds - all funds | 13,104 | 1,338,838 | (1,254,693) | 97,249 |

Statement of funds - prior year

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

14. Summary of funds

Summary of funds - current year

| | Balance at 1 September 2020 | Income | Expenditure | Balance at 31 August 2021 |
|---------------|--|------------------|--------------------|--|
| | £ | £ | £ | £ |
| General funds | 13,104 | 1,338,838 | (1,254,693) | 97,249 |

Summary of funds - prior year

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

THE NORTH LONDON CONSERVATOIRE

**NOTES TO THE FINANCIAL STATEMENTS
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15. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|-------------------------------|--|---------------------------------------|
| Current assets | 173,545 | 173,545 |
| Creditors due within one year | (76,296) | (76,296) |
| Total | 97,249 | 97,249 |

Analysis of net assets between funds - prior year

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

16. 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 £11,864 (2019: £10,380).