

Charity no. 1151662

The Music in Secondary Schools Trust
Report and Audited Financial Statements
31 March 2023

The Music in Secondary Schools Trust

Reference and administrative details

For the year ended 31 March 2023

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|--|--|
| Charity number | 1151662 |
| Registered office and operational address | 8 Highbury Grove London N5 2EQ |
| Trustees | The trustees who served during the year and up to the date of this report were as follows: Lady Lloyd Webber Hon. Andrew Wolfson Daniel Peltz OBE Kadiatu Kanneh-Mason |
| Chief executive officer | Rachel Landon |
| Bankers | Handelsbanken 4 Moorgate London EC2R 6DA |
| Auditors | Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD |

The Music in Secondary Schools Trust

Report of the trustees

For the year ended 31 March 2023

The trustees present their report with the financial statements of the charity for the year ended 31 March 2023. Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Constitution and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2019).

Objectives and activities

Mission

Transforming young people's lives through classical music education, being at the forefront of classical music education in challenging and disadvantaged secondary schools and to provide a programme of excellence that is unrivalled in the UK.

Aims

1. To provide funding to schools in disadvantaged communities to enable all students as they enter their secondary school to be given a classical musical instrument along with regular group tuition and the opportunities to perform;
2. To improve the quality of teaching, learning and leadership of music through high-quality staff training which increases knowledge, understanding and skills; and
3. To be a highly respected music organisation as a result of our programmes of excellence and the partnerships we develop.

Achievements and performance

Charitable activities and public benefit

When shaping the strategy and activities of MiSST and making decisions on the schools they will support, the Trustees have complied with their duty in section 17 of the Charities Act 2011 and given full consideration to the Charity Commission's guidance on public benefit.

It is the current policy of the trustees to roll out the Andrew Lloyd Webber Programme of musical education in schools that either: require improvement (Ofsted Category 3); have a higher than average number of children on free school meals and pupil premium; or have a higher than average number of children for whom English is not their first language. MiSST will achieve their objectives at each of these schools by:

- Providing funding to schools for the purchase of Western classical instruments for every student in year 7, 8 and 9;
- Providing funding to enhance the music staff so that students can be taught their instrument in small groups on a weekly basis;
- Providing support for the development of an enhanced programme of music;
- Providing support for leaders, teachers and tutors in relation to developing music and accelerating school improvement;
- Ensuring regular performance opportunities for students on the programme; and
- Extending the opportunities and horizons of young people by supporting activities and performances beyond the normal school day.

Achievements and performance

MiSST was established in April 2013 with pledged funding from the Charles Wolfson Trust and the Andrew Lloyd Webber Foundation. In 2014/15 funding was also secured from the Dame Alice Owen Foundation (DAOF) who committed in principle to fund every Islington secondary school on a rolling basis over an 8-year period.

The Music in Secondary Schools Trust

Report of the trustees

For the year ended 31 March 2023

The Andrew Lloyd Webber Programme involves Year 7 students being provided with a classical music instrument on their arrival at Secondary School, and at least two years of classroom-based tuition on their instrument. During year 9 of operation, the Andrew Lloyd Webber Programme has been funded at Highbury Grove School, Lister Community School, Frederick Bremer School, Sedgehill School, Highgate Hill, St Mary Magdalene Academy, Beacon High School, Whitefield School, Elizabeth Garrett Anderson School, Central Foundation Boys School, Nicholas Chamberlaine School, Sydney Russell School, The Radclyffe School, The Hathershaw College and Sydney Russell School, Platanos College, The Kings Academy, Harris Invictus Academy, The Bourne Academy, Furness Academy, The Grange School, Barnsley Academy and Outwood Academy Riverside. Specialist Music Programmes have been supported in Samuel Rhodes School, New North Academy and Chelsea Community Hospital School.

The main achievements during the year have been:

- Over 10,000 students aged 11-14 on The Andrew Lloyd Webber Programme are studying classical music instrument and benefitting from frequent opportunities to perform and over 20,000 students have now been through the Programme;
- The Saturday Music School has turned into The MiSST Music Academy and now has over 100 children benefitting from it weekly, we also have 3 orchestras, a large choir and music production but to name a few programmes;
- We have a new patron, Jason Donovan;
- MiSST has seen many successful playdays and together days that have seen nearly 1,000 children playing together;
- MiSST teachers and music tutors have access to regular CPD hosted through MiSST's on line platform and webinars.

Financial review

Financial position

The financial statements for the year ended 31 March 2023 are shown on pages 10-25. The statement of financial activities on page 10 shows the incoming resources available to MiSST and the extent to which funds have been spent. This, together with the balance sheet on page 11, shows the current values of MiSST's unrestricted funds at 31 March 2023 was £5,589,545 (2022: £819,569). Funding from the DAOF is restricted for students who reside in and/ or attend an Islington school. There was no restricted funding carried forward at 31 March 2023 (2022: £12,500).

The principal source of funding has been in the form of donations received from the Charles Wolfson Trust, The Andrew Lloyd Webber Foundation and The Horne Foundation.

Investment policy

The charity's Constitution confers upon the Trustees wide powers of investment as if they were absolute owners beneficially entitled to the underlying assets. As the pledged funding is paid by the donors annually in accordance with the budgeted expenditure, MiSST currently holds cash balances for committed expenditures as well as an investment portfolio.

Reserves policy

The assets that make up the MiSST funds are unrestricted and accordingly, they are also available as general reserves. It is the policy of the Trustees to maintain sufficient reserves within MiSST to meet all known commitments during the next twelve months (approximately £1.3M). The Trustees monitor the level of reserves on an annual basis.

The Music in Secondary Schools Trust

Report of the trustees

For the year ended 31 March 2023

In addition to careful planning of the cash flow, so as to meet both grant commitments payable in the year and the administrative expenditure from the agreed budget, MiSST maintains a minimum cash reserve to cover anticipated grant and other commitments over a rolling six month period (approximately £650K).

The Charity received a significant unrestricted donation in 2022 and now has a significantly higher level of unrestricted reserves. The majority of the donation has been invested within low-risk investments to help secure the long-term future and expansion of MiSST. It is anticipated that a percentage of the funds will be drawn upon each year to support ongoing and future programmes.

The charity will spend down the current reserves until they reach the target amount before any further funds are drawn upon. It is anticipated that this reserve surplus will be used to support the ongoing costs, scaling programme and grants payable from October 2023 onwards.

Future plans

The trustees' long-term goal is to work with other benefactors and academy sponsors to steadily increase the number of schools supported on the Andrew Lloyd Webber Programme, with the additional aim of demonstrating the impact of music on transforming young people's lives and influencing government policy accordingly. MiSST researches and evaluates in order to improve our understanding of the impact our programmes have on our students.

From September 2023 MiSST will be expanding into 3 further secondary schools including a secondary school in Bolton, Lincolnshire and London. MiSST will also be partnering with various providers to ensure children on the MiSST programme outside London have pathways of excellence to follow. We will have had over 20,000 children on The Andrew Lloyd Webber Programme in September 2023.

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and is constituted as a charitable incorporated organisation.

The trustee board

The Trustees, as a Board, recognise that they are responsible for the good standing of MiSST, the safe management of its assets, the strategic decisions for its future development and all key policy decisions for the management and activities of MiSST. The Trustees aim to meet on a formal basis three times a year or more often as necessary to carry out such responsibilities. The professional experience of the Trustee Board provides strong support and advice to the Trust's staff for the day to day running of the Trust.

Risk management

The Trustees regularly consider financial and legal risks to which the Trust is exposed, including financial risks, governance risks, fraud, reputation risks, risks related to rapid expansion of the charity and reliance on key personnel and have developed formal guidelines and procedures upon which to operate to manage and mitigate those risks. Professional advice is taken when appropriate.

The Music in Secondary Schools Trust

Report of the trustees

For the year ended 31 March 2023

Statement of responsibilities of the trustees

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with 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 law applicable to charities in England and 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 the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which 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 constitution. The trustees 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 12 July 2023 and signed on their behalf by



Hon. A D Wolfson - Trustee

Independent auditors' report

To the members of

The Music in Secondary Schools Trust

Opinion

We have audited the financial statements of The Music in Secondary Schools Trust (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Auditor's 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

Other information

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

Independent auditors' report

To the members of

The Music in Secondary Schools Trust

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they 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.

Our responsibilities for the audit of the financial statements

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

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 procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

Independent auditors' report

To the members of

The Music in Secondary Schools Trust

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

Independent auditors' report

To the members of

The Music in Secondary Schools Trust

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. 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 auditor's 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Godfrey Wilson Limited

Date: 13 July 2023

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

The Music in Secondary Schools Trust

Statement of financial activities

For the year ended 31 March 2023

| | Note | Restricted £ | Unrestricted £ | 2023 Total £ | 2022 Total £ |
|---|------|-----------------|-------------------------|-------------------------|-----------------------|
| Income from: | | | | | |
| Donations and legacies | 3 | - | 5,177,575 | 5,177,575 | 18,710 |
| Charitable activities | 4 | 218,974 | 716,133 | 935,107 | 960,671 |
| Other trading activities | | - | - | - | 2,748 |
| Investments | | - | 60,674 | 60,674 | - |
| Total income | | <u>218,974</u> | <u>5,954,382</u> | <u>6,173,356</u> | <u>982,129</u> |
| Expenditure on: | | | | | |
| Raising funds | | - | 24,925 | 24,925 | 24,577 |
| Charitable activities | | <u>231,474</u> | <u>1,023,356</u> | <u>1,254,830</u> | <u>801,158</u> |
| Total expenditure | 5 | <u>231,474</u> | <u>1,048,281</u> | <u>1,279,755</u> | <u>825,735</u> |
| Net gains / (losses) on investments | | <u>-</u> | <u>(136,125)</u> | <u>(136,125)</u> | <u>-</u> |
| Net income / (expenditure) and net movement in funds | 8 | (12,500) | 4,769,976 | 4,757,476 | 156,394 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | <u>12,500</u> | <u>819,569</u> | <u>832,069</u> | <u>675,675</u> |
| Total funds carried forward | | <u>-</u> | <u>5,589,545</u> | <u>5,589,545</u> | <u>832,069</u> |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 15 to the accounts.

The Music in Secondary Schools Trust

Balance sheet

As at 31 March 2023

| | Note | £ | 2023 £ | 2022 £ |
|--|------|------------------|-------------------------|-----------------------|
| Fixed assets | | | | |
| Investments | 11 | | 4,433,621 | - |
| Current assets | | | | |
| Debtors | 12 | 143,699 | | 52,312 |
| Cash at bank and in hand | | <u>1,025,516</u> | | <u>809,517</u> |
| | | 1,169,215 | | 861,829 |
| Liabilities | | | | |
| Creditors: amounts falling due within 1 year | 13 | <u>(13,291)</u> | | <u>(29,760)</u> |
| Net current assets | | | <u>1,155,924</u> | <u>832,069</u> |
| Net assets | 14 | | <u><u>5,589,545</u></u> | <u><u>832,069</u></u> |
| Funds | 15 | | | |
| Restricted funds | | | - | 12,500 |
| Unrestricted funds: | | | | |
| Designated funds | | | - | 200,000 |
| General funds | | | <u>5,589,545</u> | <u>619,569</u> |
| Total charity funds | | | <u><u>5,589,545</u></u> | <u><u>832,069</u></u> |

Approved by the trustees on 12 July 2023 and signed on their behalf by



Hon. A D Wolfson - Trustee

The Music in Secondary Schools Trust

Statement of cash flows

For the year ended 31 March 2023

| | 2023 | 2022 |
|---|--------------------|---------|
| | £ | £ |
| Cash used in operating activities: | | |
| Net movement in funds | 4,757,476 | 156,394 |
| Adjustments for: | | |
| Losses on investments | 136,125 | - |
| Interest from investments | (60,674) | - |
| Decrease / (increase) in debtors | (91,387) | 10,564 |
| Increase / (decrease) in creditors | (16,469) | (148) |
| Net cash provided by operating activities | 4,725,071 | 166,810 |
| Cash flows from investing activities: | | |
| Purchase of investments | (3,375,096) | - |
| Movements in cash held by investment manager | (1,194,650) | - |
| Interest and dividends from investments | 60,674 | - |
| Net cash used by investing activities | (4,509,072) | - |
| Increase / (decrease) in cash and cash equivalents in the year | 215,999 | 166,810 |
| Cash and cash equivalents at the beginning of the year | 809,517 | 642,707 |
| Cash and cash equivalents at the end of the year | 1,025,516 | 809,517 |

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

The Music in Secondary Schools Trust

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Music in Secondary Schools Trust 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 note.

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

d) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

e) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

The Music in Secondary Schools Trust

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies (continued)

f) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

g) Grants payable

Grants payable are charged in the year in which the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached have been fulfilled.

h) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities based on the proportion of direct costs:

| | 2023 | 2022 |
|-----------------------|-------|-------|
| Raising funds | 1.9% | 3.0% |
| Charitable activities | 98.1% | 97.0% |

i) Listed investments

Listed investments traded on a recognised stock exchange are stated at fair value at the reporting date, which is deemed to be their market value. Any gain or loss, whether realised or unrealised, is taken to the Statement of Financial Activities.

j) Debtors

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

k) Cash at bank and in hand

Cash at bank and cash 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.

l) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Financial instruments

The trust 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 recognised at amortised cost using the effective interest method.

The Music in Secondary Schools Trust

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies (continued)

n) Accounting estimates and key judgements

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

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

There are no key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

2. Prior period comparatives: statement of financial activities

| | Restricted £ | Unrestricted £ | 2022 Total £ |
|---|-----------------|-------------------|--------------------|
| Income from: | | | |
| Donations | - | 18,710 | 18,710 |
| Charitable activities | 250,471 | 710,200 | 960,671 |
| Other trading activities | - | 2,748 | 2,748 |
| Total income | 250,471 | 731,658 | 982,129 |
| Expenditure on: | | | |
| Raising funds | - | 24,577 | 24,577 |
| Charitable activities | 275,471 | 525,687 | 801,158 |
| Total expenditure | 275,471 | 550,264 | 825,735 |
| Net income / (expenditure) and net movement in funds | (25,000) | 181,394 | 156,394 |

The Music in Secondary Schools Trust

Notes to the financial statements

For the year ended 31 March 2023

3. Income from donations and legacies

| | 2023 Total £ | 2022 Total £ |
|------------------------------------|--------------------|--------------------|
| Donations | 5,127,575 | 8,710 |
| Legacies | 50,000 | - |
| Grants | - | 10,000 |
| Total income from donations | 5,177,575 | 18,710 |

Current year donations income includes an unrestricted £5 million donation from a charity with similar charitable objects which was closing down, and wishes to remain anonymous.
All income from donations in the current and prior year was unrestricted.

4. Income from charitable activities

| | Restricted £ | Unrestricted £ | 2023 Total £ |
|--|-----------------|-------------------|--------------------|
| Andrew Lloyd Webber Foundation | - | 360,100 | 360,100 |
| Charles Wolfson Charitable Trust | - | 350,000 | 350,000 |
| Dame Alice Owen Foundation | 179,974 | - | 179,974 |
| Middlesborough Council | 39,000 | - | 39,000 |
| The Albert and Eugen Grant | - | 6,000 | 6,000 |
| Delivery of services | - | 33 | 33 |
| Total income from charitable activities | 218,974 | 716,133 | 935,107 |

Prior period comparative:

| | Restricted £ | Unrestricted £ | 2022 Total £ |
|--|-----------------|-------------------|--------------------|
| Andrew Lloyd Webber Foundation | - | 360,200 | 360,200 |
| Charles Wolfson Charitable Trust | - | 350,000 | 350,000 |
| Dame Alice Owen Foundation | 199,971 | - | 199,971 |
| Middlesborough Council | 28,000 | - | 28,000 |
| The Lord Kickha KCVO | 12,500 | - | 12,500 |
| The Candy Foundation | 10,000 | - | 10,000 |
| Total income from charitable activities | 250,471 | 710,200 | 960,671 |

The Music in Secondary Schools Trust

Notes to the financial statements

For the year ended 31 March 2023

5. Total expenditure

| | Raising funds £ | Charitable activities £ | Support and governance costs £ | 2023 Total £ |
|---|--------------------|-------------------------------|---|------------------|
| Staff costs (note 9) | 11,736 | 135,052 | 162,615 | 309,403 |
| Other staff costs | - | 15,414 | 5,205 | 20,619 |
| Publicity | 8,760 | - | - | 8,760 |
| Events | - | 47,842 | - | 47,842 |
| Grants to schools (note 6) | - | 616,383 | - | 616,383 |
| Freelancers | - | 186,676 | - | 186,676 |
| Charitable programmes | - | 30,488 | - | 30,488 |
| Rent | - | - | 15,337 | 15,337 |
| Insurance | - | - | 1,131 | 1,131 |
| Training costs | - | - | 7,535 | 7,535 |
| Bank charges | - | - | 264 | 264 |
| Audit and accountancy | - | - | 10,629 | 10,629 |
| Investment fees | - | - | 10,444 | 10,444 |
| Office costs | - | - | 14,244 | 14,244 |
| Sub-total | 20,496 | 1,031,855 | 227,404 | 1,279,755 |
| Allocation of support and governance costs | 4,429 | 222,975 | (227,404) | - |
| Total expenditure | 24,925 | 1,254,830 | - | 1,279,755 |

Total governance costs were £6,240 (2022: £4,680).

The Music in Secondary Schools Trust

Notes to the financial statements

For the year ended 31 March 2023

5. Total expenditure (continued)

Prior period comparative

| | Raising funds £ | Charitable activities £ | Support and governance costs £ | 2022 Total £ |
|---|----------------------|-------------------------------|---|-----------------------|
| Staff costs (note 9) | 16,614 | 70,466 | 66,320 | 153,400 |
| Other staff costs | - | 1,407 | 5,147 | 6,554 |
| Publicity | 2,470 | - | - | 2,470 |
| Events | - | 49,730 | - | 49,730 |
| Grants to schools (note 6) | - | 394,220 | - | 394,220 |
| Freelancers | 2,480 | 166,324 | 7,440 | 176,244 |
| Charitable programmes | - | 20,809 | - | 20,809 |
| Rent | - | - | 12,156 | 12,156 |
| Insurance | - | - | 1,120 | 1,120 |
| Training costs | - | - | 2,370 | 2,370 |
| Bank charges | - | - | 135 | 135 |
| Audit and accountancy | - | - | 6,527 | 6,527 |
| Sub-total | 21,564 | 702,956 | 101,215 | 825,735 |
| Allocation of support and governance costs | <u>3,013</u> | <u>98,202</u> | <u>(101,215)</u> | <u>-</u> |
| Total expenditure | <u>24,577</u> | <u>801,158</u> | <u>-</u> | <u>825,735</u> |

The Music in Secondary Schools Trust

Notes to the financial statements

For the year ended 31 March 2023

6. Grants payable to schools

Grants were made to provide funding to schools in disadvantaged communities to enable all students as they enter their secondary school to be given a classical musical instrument along with regular group tuition and the opportunities to perform.

| | 2023 £ | 2022 £ |
|---------------------------------------|----------------|----------------|
| School grants: | | |
| City of London Academy Highbury Grove | 77,723 | 60,923 |
| Lister Community School | 67,000 | 37,012 |
| Frederick Bremer School | 45,725 | 32,985 |
| Central Foundation Boys School | 45,000 | 36,470 |
| Sedgehill School | 43,110 | 23,110 |
| The Kings Academy | 35,500 | 28,000 |
| Saint Mary Magdalene Academy | 31,335 | 31,310 |
| Whitefield School | 27,560 | 27,560 |
| Elizabeth Garrett Anderson School | 27,210 | 28,530 |
| Radclyffe School | 24,000 | 34,000 |
| Hathershaw College | 24,000 | 24,000 |
| Furness Education Trust | 24,000 | - |
| Outwood Academy Riverside | 20,700 | - |
| City of London Academy Highgate Hill | 20,000 | 20,000 |
| Nicholas Chamberlaine School | 20,000 | - |
| The Sydney Russell School | 20,000 | - |
| Harris's Academy | 20,000 | - |
| Barnsley Academy | 18,000 | - |
| Beacon High School | 10,000 | 10,320 |
| The Grange School | 8,500 | - |
| The Bourne Academy | 7,020 | - |
| Total grant expenditure | 616,383 | 394,220 |

7. Grants commitments

| | 2023 £ | 2022 £ |
|------------------------------------|-----------|-----------|
| Grants payable to institutions: | | |
| Grant commitments brought forward | - | 11,200 |
| Grants committed during the period | 616,383 | 394,220 |
| Grants paid during the period | (616,383) | (405,420) |
| Grant commitments carried forward | - | - |

The Music in Secondary Schools Trust

Notes to the financial statements

For the year ended 31 March 2023

8. Net movement in funds

This is stated after charging:

| | 2023 £ | 2022 £ |
|-----------------------------------|-----------|-----------|
| Trustees' remuneration | Nil | Nil |
| Trustees' reimbursed expenses | Nil | Nil |
| Auditors' remuneration: | | |
| ▪ Statutory audit (including VAT) | 6,240 | 4,680 |
| ▪ Other services | 1,901 | - |

9. Staff costs and numbers

Staff costs were as follows:

| | 2023 £ | 2022 £ |
|-----------------------|----------------|----------------|
| Salaries and wages | 273,662 | 139,866 |
| Social security costs | 27,286 | 9,335 |
| Pension costs | 8,455 | 4,199 |
| | 309,403 | 153,400 |

1 employee earned between £80,000 and £90,000 during the year (2022: 1 earned between £80,000 and £90,000).

The key management personnel of the charity comprise the trustees and the Chief Executive Officer. The total employee benefits of the key management personnel were £101,529 (2022: £85,893).

| | 2023 No. | 2022 No. |
|--------------------|-------------|-------------|
| Average head count | 6.50 | 4.50 |

10. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

The Music in Secondary Schools Trust

Notes to the financial statements

For the year ended 31 March 2023

11. Investments

| | 2023 | 2022 |
|--|-------------------------|-----------------|
| | £ | £ |
| Market value at 1 April 2022 | - | - |
| Additions | 3,375,096 | - |
| Unrealised gains / (losses) | (136,125) | - |
| Movements in cash held by investment manager | 1,194,650 | - |
| Market value at 31 March 2023 | <u>4,433,621</u> | <u>-</u> |
| Investments comprise: | 2023 | 2022 |
| | £ | £ |
| Listed investments | 3,158,781 | - |
| Other investments | 80,190 | - |
| Cash | 1,194,650 | - |
| | <u>4,433,621</u> | <u>-</u> |

12. Debtors

| | 2023 | 2022 |
|----------------|-----------------------|----------------------|
| | £ | £ |
| Prepayments | 129,758 | 32,315 |
| Other debtors | 12,220 | - |
| Accrued income | 1,721 | 19,997 |
| | <u>143,699</u> | <u>52,312</u> |

13. Creditors : amounts due within 1 year

| | 2023 | 2022 |
|------------------------------------|----------------------|----------------------|
| | £ | £ |
| Trade creditors | 143 | 6,407 |
| Accruals | 13,148 | 19,222 |
| Other taxation and social security | - | 4,131 |
| | <u>13,291</u> | <u>29,760</u> |

The Music in Secondary Schools Trust

Notes to the financial statements

For the year ended 31 March 2023

14. Analysis of net assets between funds

| | Restricted funds £ | Designated funds £ | General funds £ | Total funds £ |
|------------------------------------|--------------------------|--------------------------|-----------------------|---------------------|
| Investments | - | - | 4,433,621 | 4,433,621 |
| Current assets | - | - | 1,169,215 | 1,169,215 |
| Current liabilities | - | - | (13,291) | (13,291) |
| Net assets at 31 March 2023 | - | - | 5,589,545 | 5,589,545 |
| Prior year comparative | | | | |
| | Restricted funds £ | Designated funds £ | General funds £ | Total funds £ |
| Current assets | 12,500 | 200,000 | 649,329 | 861,829 |
| Current liabilities | - | - | (29,760) | (29,760) |
| Net assets at 31 March 2022 | 12,500 | 200,000 | 619,569 | 832,069 |

The Music in Secondary Schools Trust

Notes to the financial statements

For the year ended 31 March 2023

15. Movements in funds

| | At 1 April 2022 £ | Income £ | Expenditure £ | Gains / (losses) £ | At 31 March 2023 £ |
|---------------------------------|-------------------------|------------------|--------------------|--------------------------|--------------------------|
| Restricted funds | | | | | |
| Dame Alice Owen Foundation | - | 179,974 | (179,974) | - | - |
| Middlesbrough Council | - | 39,000 | (39,000) | - | - |
| The Lord Kickha KCVO | 12,500 | - | (12,500) | - | - |
| Total restricted funds | <u>12,500</u> | <u>218,974</u> | <u>(231,474)</u> | <u>-</u> | <u>-</u> |
| Unrestricted funds | | | | | |
| <i>Designated funds:</i> | | | | | |
| Additional staffing | 75,000 | - | (75,000) | - | - |
| 10th Annual Concert | 50,000 | - | (50,000) | - | - |
| MISST Music Academy | 75,000 | - | (75,000) | - | - |
| <i>Total designated funds</i> | <u>200,000</u> | <u>-</u> | <u>(200,000)</u> | <u>-</u> | <u>-</u> |
| General funds | <u>619,569</u> | <u>5,954,382</u> | <u>(848,281)</u> | <u>(136,125)</u> | <u>5,589,545</u> |
| Total unrestricted funds | <u>819,569</u> | <u>5,954,382</u> | <u>(1,048,281)</u> | <u>(136,125)</u> | <u>5,589,545</u> |
| Total funds | <u>832,069</u> | <u>6,173,356</u> | <u>(1,279,755)</u> | <u>(136,125)</u> | <u>5,589,545</u> |

Purposes of restricted funds

| | |
|----------------------------|--|
| Dame Alice Owen Foundation | To support young people aged 18 years or less currently in secondary education who reside in or are educated in the London Borough of Islington. |
| Middlesbrough Council | To fund instruments for young people at The Kings Academy School. |
| The Lord Kickha KCVO | To fund outdoor activities for students. |

The Music in Secondary Schools Trust

Notes to the financial statements

For the year ended 31 March 2023

15. Movements in funds (continued)

Prior year comparative

| | At 1 April 2021 £ | Income £ | Expenditure £ | At 31 March 2022 £ |
|---------------------------------|-------------------------|----------------|------------------|--------------------------|
| Restricted funds | | | | |
| Dame Alice Owen Foundation | 37,500 | 199,971 | (237,471) | - |
| The Candy Foundation | - | 10,000 | (10,000) | - |
| Middlesbrough Council | - | 28,000 | (28,000) | - |
| The Lord Kickha KCVO | - | 12,500 | - | 12,500 |
| Total restricted funds | 37,500 | 250,471 | (275,471) | 12,500 |
| Unrestricted funds | | | | |
| <i>Designated funds:</i> | | | | |
| Additional staffing | - | 75,000 | - | 75,000 |
| 10th Annual Concert | - | 50,000 | - | 50,000 |
| MISST Music Academy | - | 75,000 | - | 75,000 |
| <i>Total designated funds</i> | <i>-</i> | <i>200,000</i> | <i>-</i> | <i>200,000</i> |
| General funds | 638,175 | 531,658 | (550,264) | 619,569 |
| Total unrestricted funds | 638,175 | 731,658 | (550,264) | 819,569 |
| Total funds | 675,675 | 982,129 | (825,735) | 832,069 |

Purposes of restricted funds

Dame Alice Owen Foundation

To support young people aged 18 years or less currently in secondary education who reside in or are educated in the London Borough of Islington.

The Candy Foundation

To purchase 100 instruments for 100 year 7 students.

Middlesbrough Council

To fund instruments for young people at The Kings Academy School.

The Lord Kickha KCVO

To fund outdoor activities for students.

Purposes of designated funds

Additional staffing

To fund the expansion of the team in 2022/23. Including salaries for the deputy CEO, executive assistant to the CEO and finance and grants manager.

10th Anniversary Concert

To fund the 10th Anniversary concert at Theatre Royal Drury Lane.

MISST Music Academy

To double the capacity of Saturday School.

The Music in Secondary Schools Trust

Notes to the financial statements

For the year ended 31 March 2023

16. Related party transactions

The Trustee Lady Lloyd Webber is a trustee of The Andrew Lloyd Webber Foundation. During the year the charity received grants totalling £360,100 (2022: £360,200) from The Andrew Lloyd Webber Foundation.

The Hon. Andrew Daniel Wolfson is a trustee of The Charles Wolfson Charitable Trust. During the year the charity received donations totalling £350,000 (2022: £350,000) from The Charles Wolfson Charitable Trust.

During the year, The Music in Secondary Schools Trusts paid Toucan Tech £9,180 for database and website services (2022: £5,730). The Hon. Andrew Daniel Wolfson, a trustee of Music in Secondary Schools Trust, is also CEO of Pembroke VCT which has a significant investment in Toucan Tech.

During the year the trustees donated £20,000 (2022: £10,000) to The Music in Secondary Schools Trust.

All income from related parties in the year was unrestricted.