

Merton Music Foundation

(A Charitable Company Limited by Guarantee)

Annual Report and Financial Statements

For The Year Ended 31 August 2016

Charity Number: 1004122

Company Number: 02590621 (England and Wales)

MERTON MUSIC FOUNDATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

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MERTON MUSIC FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name	Merton Music Foundation
Other names the Charity is known by	MMF, Merton Music
Registered Charity Number:	1004122
Company Number	2590621 (England and Wales)
Registered Office	MMF Office, c/o Harris Academy, Lilleshall Road, Morden, Surrey, SM4 6DU
Telephone	020 8640 5446
Fax	020 8646 6990
E-mail	admin@mmf.org.uk
Website	www.mmf.org.uk

Trustees

The trustees serving during the year and since the year-end were as follows:

Ian Newman	Chair of Trustees
John Mander	(Resigned 31/03/2016)
Michael Collins	
Clive Grinyer	
Doreen Hewitt	
Edward Hickman	
Rachel Jacob	
Ana Sallavaud	
Kevin Watkiss	
Rowena Maybury	(Appointed 8/02/2016)

Principal Officers

Senior Management Team

John Mander	Chief Executive (resigned 31 st March 2016)
Soo Bishop	Programmes Director
Elisabeth Wigley	Chief Executive Officer from 1 st April 2016 (previously Programmes Director)
Lawrie Meechan	Finance Director and Company Secretary (appointed 1 st April 2016)

Administration

Kathy Doherty	Administration Manager (from 1 st February 2016)
Julie Raper	Finance Manager

Advisers

Auditors	WSM Advisors Limited, Chartered Accountants & Registered Auditors Connect House, 133-137 Alexandra Road, Wimbledon, London SW19 7JY
Bankers	Lloyds Bank plc, 83 High Street, Walton-on-Thames, Surrey KT12 1DU
Solicitors	Bates, Wells & Braithwaite Scandinavian House, 2-6 Cannon Street, London EC4M 6YH

MMF is a member of the following national music organisations:

The UK Association for Music Education – Music Mark Making Music

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Chair's Introduction

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

Schools remain our key focus and almost all primaries and secondaries benefitted from our School Music Education Plan. Project opportunities, subsidised clubs, workshops, support for primary music co-ordinators and secondary heads of department were delivered and well received. Continuing professional development is crucial to the success of the National Plan for Music Education both for colleagues in schools and for our individual/group tutors working in a variety of contexts.

Through its Hub 'core' and 'extension' roles (defined on page 4), MMF fulfilled its remit effectively and vigorously.

Highlights included:

- **'First Access'** programmes provided Whole Class Ensemble Tuition (WCET) for primary and secondary schools including Special Schools in both phases. This work culminated in very successful school based concerts.
- MMF's **Youth Music Programme** features 26 regular ensembles, instrumental and choral, from beginner to advanced level all giving regular performances.

Consolidating progression routes remains a critical challenge. Initiatives include:

- The development and review of the 'Magnet Centre' model based in a local primary.
- Supporting pupils to apply for scholarships, bursaries and awards
- Signposting and supporting young people to apply to NCO, NYO and LSSO.
- Continued collaboration with the Wimbledon Community Chorus, the Wandle Band and the Wimbledon Community Orchestra to provide a pathway to learning beyond MMF.

The 'Singing Strategy' is a national priority reflected strongly through our work with over 40 Merton schools. The 'With One Voice' projects continue to flourish, involving well over 1,000 singers in youth and community choirs, the highlight being 'Grace' – a musical performed at New Wimbledon Theatre in partnership with Wimbledon Civic Theatre Trust.

Our growing list of local, regional and national partners is impressive and demonstrates our active commitment to our role as 'Hub' lead, our engagement with continuing improvement of local provision and our understanding of the National Music Plan. I would like to thank all our partners for their support – creative, financial and operational – throughout the year:

Arts Council England
Be Creative
Crown Lane Studio
Jazz musician and educator Pete Churchill
London Borough of Merton officers, Merton Head Teachers and Schools Forum
'London School of Percussion' at Crown Lane Studio
Music Magnet Centre at St Teresa's RC Primary School
Orchestra of the Age of Enlightenment
Polka Theatre
Richard Mallett Arts Management
Roehampton University
The Mayor's Office

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Wimbledon Civic Theatre Trust
Wimbledon Community Chorus, Wandle Band and Wimbledon Community Orchestra
Wimbledon International Music Festival

We look forward in 2017 to the 8th biennial concert at the Royal Albert Hall which will feature 2 new commissions from Pete Churchill and Neil Brand and the participation of some 1,500+ musicians and singers from across Merton (with support from friends, colleagues and partner organisations). Feedback from 2015 reflected an appreciation of the high standards achieved the enthusiasm of students and staff and delight at how special needs performers were integrated into the performances. We look forward to a similarly exhilarating event in May 2017; built on the solid foundations of everything else MMF does throughout the year.

A highlight of the year was the event at the Hideaway Jazz Club to mark the retirement of John Mander, our CEO, after 25 years of outstanding service. We referred to his many achievements in last year's report and his sell-out farewell concert featured the inspirational Merton Youth Jazz Orchestras '1' and '2' plus an Alumni Band comprising previous MMF members (all of whom are now professional musicians). The wider MMF community was able to offer a fitting musical tribute to the man whose vision, perseverance and leadership saw MMF survive and prosper through some difficult times.

Many challenges for music education remain of course and we welcomed the appointment of Elisabeth Wigley (formerly MMF Programmes Director) as our new CEO from April 2016. We were delighted too to be able to appoint a Finance Director, Lawrie Meechan, in the summer of 2016. Both appointments strengthen the senior team and bring a wealth of diverse experience to the organisation.

MMF delivers for students, staff, parents and partners through the range and quality of the learning and performance opportunities it offers. What follows in this report provides the detail and the background to our achievements in 2015-16.

Ian Newman
Chair of Trustees
Merton Music Foundation

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The trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ending 31 August 2016, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The legal and administrative information set out on page 1 forms part of this report. The trustees who served during the year noted on page 1.

Our purposes and activities

Charitable objective

Merton Music Foundation (MMF) aims to promote and support the highest quality music education for ALL.

Our charitable objective is *"To advance music education within a framework of the arts for the benefit of the public of the London Borough of Merton and elsewhere"*.

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

The vision that shapes our annual activities is based on the aspirations of the **National Plan for Music Education 'The Importance of Music'**. Published in November 2011, it sets out the Government's vision for music education to enable children from all backgrounds and every part of England to have the opportunity to learn a musical instrument; to make music with others; to learn to sing and to have the opportunity to progress to the next level of excellence.

Music Education Hubs

Merton Music Foundation is the lead partner for the Merton Music Education Hub, part of a national network of 123 music education hubs established in 2012.

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

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

Core Roles

1. **First Access** - Ensure that every child aged 5 - 18 has the opportunity to learn a musical instrument (other than voice) through whole class ensemble teaching programmes
2. **Ensembles** - Provide opportunities to play in ensembles and to perform from an early stage
3. **Progression** - Ensure that clear progression routes are available and affordable to all young people
4. **Singing** – Develop a singing strategy to ensure that every pupil sings regularly and that choirs and other vocal ensembles are available in the area

Extension Roles

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

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Working in partnership

The charity's hub programme is a collaboration between key local, regional and national music and arts organisations working together to create joined up, high quality music education in and out of school. The key overriding aims of our partnerships are to broaden and increase the opportunities for music making for all children and young people in the region, regardless of their background or personal circumstances; and to raise the standards of music provision to the highest levels possible.

Our partners during the 2015/16 financial year included Be Creative, Charanga, Crown Lane Studio, Merton Children, Schools and Families Department, Mayor's Music Fund, Merton Schools Forum, Orchestra of the Age of Enlightenment, Polka Theatre, Richard Mallet Arts Management, Roehampton University, Wimbledon International Music Festival and Wimbledon Civic Theatre Trust. The charity is also an active member of the South West London Music Education Partnership, which consists of the music services of Croydon, Hounslow, Kingston, Merton, Richmond, Sutton and Wandsworth.

Delivery

Executive responsibility for delivery rests with the Chief Executive and the Senior Leadership Team, made up of two full-time employees and one part-time employee of the Foundation and to whom all other employees report either directly or indirectly. MMF aims to achieve the highest quality service provision by striving to provide the best opportunities in which to encourage learning through the National Plan's Core and Extension roles.

Building effective and secure partnerships is critical to our ethos of developing sustainable music education provision within the region. At the heart of this development is the Merton Music Education Hub, which builds on the existing structure of local, regional and national partnerships and levers in support for the charity's various education activities.

Volunteers

We work closely with our parents' charity the Friends of Merton's Young Musicians (FMYM). The Friends meet regularly to administer the affairs of their charity, to arrange fundraising events to support the work of Merton Music Foundation, and to help with concerts and other events provided by our charity. Over the years, FMYM's fund raising has enabled us to buy instruments, purchase sheet music for our groups, provide coaching for events like Music *is* for Life and Music for Youth festivals, and support the provision of overseas tours for our senior Youth Music groups.

Ensuring our work continues to deliver our charitable purpose

We review our aims, objectives and activities annually through our Business Plan and regular reporting to Arts Council England. The review examines our achievements and the outcomes of our work over the past twelve months. It also looks at the success of each of the National Plan's Core and Extension role areas and the benefits that have been brought to the various groups of people we work with. The review also helps us ensure that our aims, objectives and activities remain focused on our stated charitable purpose. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in deciding what activities the charity should undertake for the following financial year.

Public Benefit

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

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

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

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

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

The main activities of the charity, and those we try to help, are those for children and young people in and around the London Borough of Merton to whom we aim to provide musical opportunities of the highest standard.

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

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

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

The Trustees have therefore satisfied themselves that Merton Music Foundation meets the public benefit requirements and they confirm that they have taken due regard of the Charity Commission's general guidance on public benefit.

Achievements and performance

The following summary provides an overview of our achievements and performance against the National Plan for Music Education's Core and Extension Roles. The information is taken from our Annual Data Return to Arts Council England for the 2015/16 academic year.

CORE ROLES

1. First access

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

Around 1000 pupils from 17 Merton schools benefitted from First Access instrumental programmes.

This included 17 Whole Class Ensemble Tuition (WCET) projects, two of which were for secondary schools – one state and one private. These projects were designed with a degree of flexibility in order to accommodate the specific needs of schools.

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

46 pupils, and 16 staff from SLD PMLD Schools, also completed the second year of a WCET type programme with the OAE funded by Youth Music to run between 2013-16.

The flexible route option has proved popular again with schools opting to use percussion projects to establish general musicianship skills and musical discipline, before moving on to more advanced instruments. Informal feedback from schools suggested that this method enabled a greater range of pupils to feel engaged with playing an instrument as playing was not limited to one instrumental group. Tutors reported that pupils who had taken part in a percussion project before starting on a different instrument demonstrated a greater sense of rhythmic understanding, as well as greater engagement in lessons. Support for tutors was increased with tailored CPD – a percussion course for school staff - and observations. One tutor has been supported to develop a WCET book which has been published by Charanga.

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

In an effort to increase continuation, MMF hosted one large WCET specific concert in the summer term. This was for three schools that had taken part in a trumpet project and included pupils from the WCET class from all of them, as well as Brass Ensemble from Music Centre. This enabled the most junior brass players and parents to see the levels of progression of an instrument first hand, as well as giving them a larger performance platform to enjoy at the end of a project.

The success of these WCET specific concerts has led to a WCET, instrument specific concert series to be held in the last half of the summer term. There will be spotlight performance opportunities for large woodwind, brass, percussion, string and guitar ensembles combined with groups from Music Centre. These concerts will allow pupils to perform, and interact with students of a higher level, as well as witnessing the potential when continuing an instrument.

2. Ensembles

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

Other highlights have included: Premiere of 'Grace' at Wimbledon Theatre with music by staff member Adam Saunders and script by Andy Alty from WCTT. Two performances featuring MYJO2, 200 young performers from local schools and WCTT's Young Actors Company.

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

The Echoes Project featured the second and third performances of Pete Churchill's moving Cantata, exploring of the role of the Polish community in England. A massed performance with the Wimbledon Polish School choir, Ealing Polish church choir, VoiceBox, Young Voices and two community choirs took place at Holy Trinity in Putney and Ealing Polish church.

Young Voices joined St Mary's and Holy Trinity school choirs, WCC, WCS, St John's Church and recorded 'Merton Sings Christmas' as part of a wider community support project for local families in need over Christmas.

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

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

Marching Band joined MYJO, MYCB and Groovement on another successful tour to the Rhine in Germany.

3. Progression

The National Plan for Music Education promotes the importance of every child between age 5 and 18 having the chance to learn a musical instrument and/or sing through structured activities. As part of this, there is a strong emphasis on musical progression with all children regardless of background having the opportunity to sing and play in larger ensembles, every school providing singing opportunities and aspiring towards having an orchestra or large-scale ensemble.

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

- Annual review and development of our Merton Youth Music programme - comprehensive range of 26 regular ensembles, instrumental and choral, from beginner to advanced level.
- A third year at St Teresa's Magnet Centre catering for 55 KS1/2 pupils learning keyboard and guitar in groups of 5/6. This has been oversubscribed and well received by parents.
- Developing new performance opportunities with Hub partners. Performance in partnership with WCTT and New Wimbledon Theatre.
- 46 pupils at Perseid received regular workshops during the year, developing a WCET project, which formed year 2 as part of an innovative three-year programme focusing on strings. The work was showcased at the Royal Albert Hall in 2015 and will feature again in 2017.
- Continued relationship with Wimbledon Community Chorus and ongoing support of Wandle Band and Wimbledon Community Orchestra to provide a pathway into adult learning.
- Farewell sold out concert at the Hideaway Jazz Club for the retiring Chief Executive featuring MYJO 1 and 2 and an alumni band of previous Music Centre members now professional musicians.

4. Singing strategy

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

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

Singing is an important element of the 'In2Music' WCET programme and delivery tutors were given help and resources to incorporate into their planning.

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

Highlights included:

- Merton Sings Christmas – a CD of Christmas choral music produced in partnership with local schools, community and church choirs and the Wimbledon Choral Society
- Regular rehearsal and performance support for the new Wimbledon Youth Choir, including a joint concert with Wimbledon Community Chorus and members of MMF's junior and youth choirs
- The Echoes project, a collaboration with the Marie Skłodowska-Curie Polish choir, the Ealing Polish church choir, Wimbledon Community Chorus, Clapham Community Choir and MMF's 2 choirs
- The Grace project, a complex partnership project with Wimbledon Civic Theatre Trust, to write and produce a full-length original musical, with a large youth cast and jazz orchestra, for 2 performances at New Wimbledon Theatre in July 2016.

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- A new 'Winter Warmer' event for the Mayor of Merton in January 2016.
- A second cohort of 90 Primary children writing and performing their own songs for the 'Radio Retro' project
- Support for the Baseless Fabric theatre company to develop and deliver a Merton community opera
- A 6 week choral project and performance for 100 G and T Primary pupils
- Arensky Orchestra's Twilight project, based on Wagner's Gotterdammerung
- 37 schools took up the offer of a free one-year license for Charanga, funded by MMF. Many schools are using the vocal resources regularly and successfully, to support their class and choral singing.
- Membership of MMF's Young Voices KS2 choir remained strong at around 35 weekly members
- The Groovement chamber choir, formed last year, now has 6-8 regular members.

EXTENSION ROLES

Continuous professional development (CPD)

1. Schools

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

2. Tutor Workforce

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

3. Instrument hire

A competitive instrument hire scheme was provided to support learning. 201 instruments were hired during 2015/16. Students eligible for Trust Fund support hired at no cost other than a termly administration fee of £12. Partnership with Allianz Insurance provided discounted cover for parents hiring through MMF and a percentage donation was made to MMF.

4. Large scale / High quality musical experiences

This included:

- The Grace Project, a full-length original musical score and book, written and produced at NWT.
- The Echoes choral project
- Arensky's Gotterdammerung project
- Merton Sings Christmas choral recording

MYJO, MYJO 2 and Alumni Band presented a sellout jazz concert at The Hideaway Club in Streatham as part of MMF's farewell to the retiring CEO.

MMF took 55 students from MYCB, MYJO, Groovement and Marching Band on a 6-day tour, based around the Rhine in Germany, during which they gave 4 concerts.

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

5. School music education plans

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

The school educational plan was built on MMF's current practice. All schools have been offered subsidised after school music clubs, and a half-day of MMF time for workshops, support or training. This has been well received and various schools booked 'bespoke' consultation time during the year and have negotiated after school provision.

Developments have included:

A third year of 'Magnet Centre' group teaching initiatives at St Teresa's Primary School and Crown Lane Studio. Both have proved very successful, engaging new pupils – both centres continue to be over-subscribed.

IPad training, composition and assessment training requested and delivered in schools.

Schools continue to book up for a range of 'In2Music' WCET programmes, with the one term and variable models proving more popular.

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Routes for Progression

- The low continuation rate after WCET and other free or heavily subsidised programmes continues to be a concern. The 'Magnet Centre' model has proved successful but is very complex, time-consuming and has limited opportunities for progression. However, MMF will continue work with schools and other partners to explore alternative ways to set up more satellite magnet centres across the borough during 2016-17.

Ensembles

- MMF continues to provide a range of ensembles through its Youth Music Programme and has responded to parental requests for a beginners 'Flexiband' to cater for young players unable to access the Saturday centre. The Programmes Director has collaborated with local Secondary school leaders to set up and deliver a 6th Form, cross-borough mixed voice choir and support a new youth choir in Wimbledon. MMF is responding to more requests from schools to help provide after-school 'club' activities, including percussion and orchestra groups.

Singing Strategy

- The 'With One Voice' singing strategy continued to be at the heart of Primary music provision, development and support, with an on-going stream of CPD, resources and a range of choral project opportunities. The setting up of more mixed voice choirs and opportunities to engage more boys with singing has involved holding a number of challenging conversations with local Heads of Music. Positive discussions with local church choral leaders look set to bear fruit in 2016-17, with possible formation of a new mixed voice borough choir and development of a singing festival.

Partnership development

Members of Merton Music Foundation's Senior Leadership Team have continued to meet formally and informally with all of its Hub partners over the year to ensure that the focus for all activities is clearly established and targeted where appropriate. The focus for our hub work is on developing connectivity with selected partners who can strengthen and broaden the reach of our education work.

To date this has included:

- Continued partnership work with Wimbledon Civic Theatre Trust, to deliver a range of arts projects with a particular focus on the most vulnerable high school aged students in a variety of formal and informal local settings (schools, youth groups, voluntary support groups etc.) and led to a production of 'Grace' at Wimbledon Theatre
- Continued partnership with jazz musician and educator Pete Churchill to deliver Backstories, the focus of MMF's 'With One Voice' 2014-15 singing strategy, involving an intergenerational choir of 1,250 members aged 7 – 87. Backstories also facilitated a new partnership with Drama Direct. Pete Churchill is working with MMF on development of SUSO for RAH May 2017.
- Ongoing positive relationships with LBM officers and Merton Head Teachers (e.g. through Schools Forum and Hub meetings), to ensure continued high quality support for curriculum music in schools, (e.g. through provision of CPD and CLT support)
- Continued development of partnership work with Polka Theatre as part of SUSO 2017.
- Continued partnership with Be Creative and Wimbledon International Music Festival. Project development included Teach It Through Drama and Arensky Orchestra 'Twilight of the Gods' productions in two schools.
- Continued strategic links with Hub partner Crown Lane Studio, to assist in the development and delivery of a range of projects and the production of resources for projects and curriculum support.
- Further expansion of 'London School of Percussion' at Crown Lane Studio for lessons on Saturdays and after school.

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- Continued partnership work with the Orchestra of the Age of Enlightenment
- Continued support of three community music making groups, Wimbledon Community Chorus, Wandle Band and Wimbledon Community Orchestra (lending of music, professional services of Programmes Director to conduct WCC, shared performance opportunities).
- Collaboration with the Mayor's office, to provide local performance opportunities including at the Mayor of Merton's Winter Warmer concert.
- Successful second year of Music Magnet Centre at St Teresa's RC Primary School meeting the first access needs of 55 KS1/2pupils.
- Third year of partnership with Roehampton University, to deliver lectures to PGCE and 1st Year Primary teaching students.

Music technology in teaching and learning

- Merton Music Foundation has long been an innovative leader in the use of technology to support music education.
- We have developed an open source website that provides music education resources to support our singing strategy in schools. This has included audio, video and downloadable teaching resources for the new resources to support our ongoing projects.
- Charanga, is now supporting more schools to deliver the music curriculum. 39 out of 43 schools are actively using it. During the last academic year schools in our borough spent 6,725 hours logged on to Charanga music school resources.
- The technology Curriculum Leader employed is further supporting the use of iPads and apps in delivery of the school curriculum, WCET programmes and their use by instrumental tutors.
- Many members of our instrumental work force are using iPad apps and other music software and devices to create resources and support teaching and learning both during and after lessons.
- Merton schools continue to embrace the use of technology, use of white boards and iPad in particular.
- Many of our freelance tutors also use these as and when available and appropriate (with awareness and reference to school Child Protection policies and any resulting restrictions).

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Plans for the future

Our Music Education Business Plan for 2012-18 (Updated February 2017) details our operational plans for the coming year. This will include further applications to Arts Council England's 'Grants for the Arts' Lottery funded programme to support music education projects and our projects for 17/18. Full details can be found in the latest copy of the plan, which can be downloaded from our website at www.mmf.org.uk/MMEH.

Other priorities include:

- Identifying the job roles and employee skills to remodel the workforce following the appointment of new CEO and Finance Director that will be required in key management areas of the charity.
- Recruitment of additional trustees to strengthen the charity's Management Board and provide succession for those trustees stepping down during the 2016/17 financial year.
- Further development of the charity's Management Board with the formation of new sub groups to support the charity's new senior management team. (e.g. Strategic planning, Appointments & Salaries Review, Audit and Risk Assessment).
- Development of the partnership relationship between HAMD and MMF for mutual benefit.
- Confirmation that grant funding is in place from all our core funders for the 2017/18 financial year.
- Pledges are confirmed for all key partners wishing to work as part of the Charity's Music Education Hub programme during the 2017/18 financial year.
- Review of the effectiveness of current partnership arrangements and to identify any new partners that could help support the next stage of MMF's hub development (2017-2020).
- Explore ways in which funding can be secured to deliver these new partnerships and start planning potential projects that could be delivered during this period.

MERTON MUSIC FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31ST AUGUST 2016

Financial review

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

Income

Income was £1,085,674 in comparison with £1,061,590 for 2015, a small increase of 2.2% on the previous year.

Voluntary income from Donations and Gift Aid at £18,928 was slightly higher than last year's figure of £17,272.

The core Grant from Arts Council increased to £251,612 from £235,823 in the previous year. There were two other significant grants received from Arts Council in the year, one for £15,000, related to the Grace project and £17,741 for Sing Up Speak Out project, part of the Royal Albert Hall event taking place in May 2017.

Income from music tuition, music centre fees and other similar income streams, was up by 1.7% from £719,000 in 2015 to £731,384.

Investment income showed a return of only £87 on MMF's short-term deposits. This is due to interest rates, which have continued to remain very low during this financial period.

Expenditure

Total expenditure was £1,093,542 in 2016, 2.4% higher than the figure for 2015 of £1,068,225.

Cost of activities in furtherance of the charity's objectives increased to £1,033,904, a small increase of 2.7% on the figure of £1,006,856 in 2015. Governance costs fell by 2.8% to a figure of £59,638 in 2016.

Governance costs, as a percentage of total costs has continued to drop in 2016, 5.4% in this current year from 5.7% in 2015 demonstrating how efficiently the charity continues to operate in these challenging times.

Financial position at year end

Taking into account income and expenditure, the charity realised an operational deficit of £7,868 for the year (2015: a deficit of £6,635) before revaluations and investment asset disposals.

Total fund balances as at August 2016 were £107,182 (2015: £115,050). This consisted of £89,572 of unrestricted funds and restricted funds of £17,610.

Unrestricted funds continued to increase in this financial year. The increase this year was by 7.8% to a figure of £89,572 increasing the level of 'free' funds available and was in line with the charity's Reserves Policy.

Restricted funds reduced during the year by 45%. These funds principally represented amounts held by MMF for particular restricted purposes within the objects of the charity and were primarily made up of funds transferred from the Ronald Greenwood Music Trust funds received from the Federation of Music Services during 2010/11 for the purchase of musical instruments. Expenditure from the second fund had been capitalised within the accounts in prior years and is now reduced by depreciation associated with these capitalised assets. This is shown in note 17 of the Notes to the Financial Statements.

MERTON MUSIC FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31ST AUGUST 2016

Investment Policy

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the Trustees see fit.

The grant, which was received from the Department for Education via the Arts Council England, is specifically allocated to the expansion and development of the Foundation's music education services.

The Trustees do not consider it prudent to invest funds in stocks and shares, which are designed for the longer term. The charity has a policy to keep any surplus liquid funds in an interest bearing deposit account and seek to achieve a rate of interest, which matches or exceeds inflation. From time to time short-term deposits are deposited weekly or monthly on Treasury depending on the availability of reserves and having regard to the liquidity requirements of operating the Foundation.

Reserves Policy

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

Surplus/Deficit

The Foundation aims to make a small surplus year on year. Any projected deficit is managed through regular monitoring meetings between the Chief Executive and Programmes Directors who have operational responsibility for the charity's programmes. If the deficit becomes an actual the Board of Trustees agree to cover the amount through use of reserves.

Structure, Governance and Management

Governing document

Merton Music Foundation is a charitable company limited by guarantee, incorporated on 12 March 1991 and registered as a charity on 11 September 1991. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Appointment of trustees

The trustees are also the directors for the purpose of company law. It is the Board of Trustees' collective responsibility to ensure that the organisation is fit for purpose and to determine and support its strategic direction in order to enable it to attain its stated objectives. All trustees receive a quality standards document that outlines the required role of a trustee on the management board and the relevant standards and commitments that are expected of them.

Members of the Board are normally re-elected at each Annual General Meeting. Retirement is by rotation with trustees, being eligible, offering themselves for re-election based on those who have been longest in office since their last appointment or reappointment. New appointments to the Board are made after completion of a trustee skills gap analysis. Recruitment is normally by recommendation with suitable business, education or charity experience sought. A curriculum vitae is required from candidates and existing Board members approve all applications. Vetting checks include ensuring candidates have not been disqualified from acting as a trustee and enhanced checks with the Disclosure and Barring Service (DBS).

MERTON MUSIC FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31ST AUGUST 2016

All members of the Board gave their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in the note 7 to the accounts.

Trustee induction and training

New trustee induction includes briefing them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction process, they meet key employees and the other trustees. All trustees are encouraged to attend appropriate external training events to develop their understanding of their roles as trustees. New trustees are also given relevant documentation including recent important documentation on music education, management financial reports, meeting minutes and copies of the charity's annual Reports and financial statements.

Related parties and co-operation with other organisations

MMF works closely with the Friends of Merton's Young Musicians (FMYM) (Charity No. 274493R). FMYM is the parents' association for our Music Centre activities, which are based at the Chaucer Centre. The Chief Executive serves in an ex-officio non-voting capacity on the management committee of FMYM.

Organisation

The Board of Trustees meets termly to manage the affairs of the charity. The Board consisted of nine directors, from a variety of professional backgrounds, who are responsible for the overall strategic direction and policy of the charity. The Chief Executive, manages the day-to-day operations of the charity, and as delegated authority, within terms of delegation approved by the trustee body, for operational matters including finance, employment and artistic related activity.

Risk management

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

Health & safety and child protection

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

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

MERTON MUSIC FOUNDATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31ST AUGUST 2016

Statement of trustees' responsibilities

The Trustees, who are also the Directors of Merton Music Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. 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 directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

A resolution proposing that WSM Advisors Limited be reappointed as auditors of the company will be put to the members.

This report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

On behalf of the Board of Trustees

.....
Ian Newman

Trustee

Dated: 24 March 2017

MERTON MUSIC FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF MERTON MUSIC FOUNDATION

We have audited the financial statements of Merton Music Foundation for the year ended 31 August 2016, which comprise of the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 "The Financial Reporting Standard applicable to in the UK and the Republic of Ireland.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities set out on page 17, the trustees who are also the directors of Merton Music Foundation for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 Companies Act 2006.

MERTON MUSIC FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF MERTON MUSIC FOUNDATION

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 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 charitable company has not kept adequate accounting records; or
- the charitable company has not kept adequate accounting records; 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.

**Paul J Windsor (Senior Statutory Auditor)
For and on behalf of WSM Advisors Limited
Statutory Auditor and Chartered Accountants**

Connect House
133-137 Alexandra Road
London
SW19 7JY

Dated: 24 March 2017

MERTON MUSIC FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
INCOMING RESOURCES					
<u>Incoming resources from generated funds</u>					
Voluntary income	2	18,928	-	18,928	17,272
Activities for generating funds	3	46,000	289,275	335,275	325,259
Investment income	4	87	-	87	59
<u>Incoming resources from charitable activities</u>					
Activities in furtherance of the charitable company's objectives	5	731,384	-	731,384	719,000
TOTAL INCOMING RESOURCES		796,399	289,275	1,085,674	1,061,590
RESOURCES EXPENDED					
	6				
Charitable activities		981,839	52,065	1,033,904	1,006,866
Governance costs		59,638	-	59,638	61,359
TOTAL RESOURCES EXPENDED		1,041,477	52,065	1,093,542	1,068,225
Net (outgoing)/incoming resources before transfers, revaluations and investment asset disposals		(245,078)	237,210	(7,868)	(6,635)
Gross transfers between funds		251,612	(251,612)	-	-
Net income/(expenditure) resources before revaluations and investment asset disposals		6,534	(14,402)	(7,868)	(6,635)
Total fund balance at 1 September 2015		83,038	32,012	115,050	121,685
TOTAL FUND BALANCE AT 31 AUGUST 2016		89,572	17,610	107,182	115,050

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

All of the results relate to continuing activities.

The charitable company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 24 to 36 form part of these financial statements.

MERTON MUSIC FOUNDATION

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	11		29,996		33,044
Current assets					
Stocks	12	1,500		1,890	
Debtors	13	12,249		19,690	
Cash at bank and in hand		<u>197,592</u>		<u>176,895</u>	
		211,341		198,475	
Creditors: amounts falling due within one year	14	<u>(134,155)</u>		<u>(116,469)</u>	
Net current assets			<u>77,186</u>		<u>82,006</u>
Net assets			<u><u>107,182</u></u>		<u><u>115,050</u></u>
Income funds					
Restricted funds	17		17,610		32,012
Unrestricted funds	16		<u>89,572</u>		<u>83,038</u>
Total funds carried forward			<u><u>107,182</u></u>		<u><u>115,050</u></u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2016. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The notes on pages 24 to 36 form part of these financial statements.

MERTON MUSIC FOUNDATION

BALANCE SHEET

AS AT 31 AUGUST 2016

The accounts were approved by the Board on 24 March 2017

.....
Ian Newman
Trustee

Company Registration No. 02590621

The notes on pages 24 to 36 form part of these financial statements.

MERTON MUSIC FOUNDATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 31 AUGUST 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	22	27,562	(8,339)
Cash flows from investing activities			
Interest Income		87	59
Purchase of musical instruments		(6,952)	(9,727)
Net cash used in investing activities		(6,865)	(9,668)
Net cash used in financing activities		-	-
Changes in cash and cash equivalents in reporting period		20,697	(18,007)
Cash and cash equivalents at the beginning of the reporting year		176,895	194,902
Cash and cash equivalents at the end of the reporting year	23	£197,592	£176,895

The notes on pages 24 to 36 form part of these financial statements.

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Company information

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

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the `Charities Act 2011, Companies Act 2006` and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

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

1.2 Incoming resources

Incoming resources represent tuition fees and income from concerts, tours, hire of instruments, subscriptions, inset and others rendered during the year. Donations and other income are included in the year in which they are received.

Deferred income relates to the fees received in advance for the next financial year.

As the charitable company's principal activity is to provide music education, it is exempt from Value Added Tax and does not recover Value Added Tax on its expenditure.

1.3 Resources expended

Resources expended are recognised in the year in which they are incurred. Resources expended include attributable Value Added Tax which cannot be recovered.

Expenditure for charitable purposes

Direct charitable expenditure includes all expenditure directly related to the objectives of the charitable company and comprises the costs of providing instrumental tuition, concert performances, tours, and education and community projects undertaken by the charitable company and is accounted for when payable. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Governance costs

Governance costs represent expenditure incurred in the management of the charitable company's assets, organisational administration and compliance with constitutional and statutory requirements.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at market value at the date of the gift, less depreciation.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

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

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

Accounting policies (continued)

1.5 Leasing and hire purchase commitments

Rentals under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

1.6 Stock

Stock and work in progress is valued at the lower of cost and estimated net realisable value.

1.7 Pensions

The charitable company contributes to the Teachers' Pension Scheme on behalf of the teaching staff and also contributes to defined contribution pension schemes which have been arranged for members of staff, who are not eligible to join the Teachers' Pension Scheme.

Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charitable company in the year.

1.8 Fund accounting

The funds held by the charitable company are either:

Restricted funds - these are funds that can be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular purposes.

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

The funds received in the year are transferred to the general fund to be set off against expenses in the year that relate to the agreed activities with Arts Council England.

Peter Wooding's bursary fund

These funds have been designated by the charitable company to support exceptional young musicians at the request of Peter Wooding's family. The fund was established with donations made to the charitable company. The charitable company held sufficient cash balances at the year end to allow the funds to be applied as intended.

Greenwood bursary fund

The Greenwood bursary fund was established by the charitable company from funds transferred to it from the Ronald Greenwood Musical Trust by the London Borough of Merton who had previously operated the trust. The fund is operated in accordance with the Ronald Greenwood Musical Trust deed and awards are made to young musicians who show great promise. The charitable company held sufficient cash balances at the year end to allow the fund to be operated in accordance with the Trust deed.

Federation of Music Services

The Federation of Music Services is now The UK Association for Music Education - Music Mark, following a merger of the Federation of Music Services with the National Association of Music Educators. The grant's original use was restricted to the purchase, lease or repair of musical instruments suitable for use with children in KS2. The funds were applied as intended in the period of receipt and the remaining reserve is now reduced by the depreciation and disposal of the fund- purchased musical instruments.

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

Accounting policies (continued)

Arts Council England Funding

The charitable company received a grant in the year from the Arts Council England. According to the Funding Agreement, the use of the grant is restricted to the agreed activities with the Arts Council. The grant is recognised in the accounts when they are received and applied to the period it relates to.

Dorothy Taylor Bequest

The charitable company received restricted funds within the current year to support one girl and one boy in their musical studies for the period of 4 years at the request of the late Dorothy Taylor.

Arts Council England 'Grants for the arts'

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

1.9 Grants receivable

Grants receivable and local authority fees are credited to the statement of financial activities in the period to which they relate. A liability for any repayment is recognised when there is uncertainty.

1.10 Taxation

As the company is a registered charity, it is exempt from corporation tax on its charitable activities.

Gift aid donations are received net of tax and credited to the appropriate fund in the year received. The tax credit recoverable from Her Majesty's Revenue and Customs is also credited to the appropriate fund when received.

1.11 Going concern

The nature of the charitable company's activities are such that there can be considerable unpredictable variation in the timing of cash inflows. The trustees have prepared projected cash flow information for the period ending 12 months from the date of their approval of these accounts. On the basis of this cash flow information and discussions with the grant funders, the trustees consider that the charitable company will have sufficient funds to continue in operation within their facility currently agreed.

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Donations	9,614	-	9,614	7,588
Gift aid claim from prior years	9,314	-	9,314	9,684
	18,928	-	18,928	17,272

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Grants receivable				
Music Education Services	-	-	-	3,013
Arts Council England - Core Funding	-	251,612	251,612	235,823
LBM/Merton Schools Forum	46,000	-	46,000	46,000
Arts Council England - Grants for the arts		37,663	37,663	40,423
Total grants receivable	46,000	289,275	335,275	325,259

4 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Bank interest receivable	87	-	87	59

5 Activities in furtherance of the charitable company's objectives

	Total 2016 £	Total 2015 £
<i>Unrestricted Funds</i>		
Tuition Fees	571,102	543,674
Hire of Instruments	24,548	27,833
Music Centre subscriptions	60,001	57,739
Concert and tour receipts	60,142	78,958
Fees – inset	11,262	910
Other income	4,329	9,886
	<u>731,384</u>	<u>719,000</u>

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

6 Total resources expended

	Staff costs £	Depreciation £	Other direct costs £	Allocated other costs £	Total 2016 £	Total 2015 £
Provision of charitable activities						
Instrumental tuition	90,430	-	285,529	31,041	407,000	408,655
Youth music Programme	133,661	-	112,160	7,761	253,582	157,171
Tours and concerts	69,277	-	51,912	7,760	128,949	116,656
Professional advice and support to	37,854	-	-	3,880	41,734	24,466
CPD training	37,652	-	-	3,880	41,532	28,885
Project development	40,208	-	61,937	7,760	109,905	210,865
Instrument hire and repair	31,376	8,083	3,983	7,760	51,202	60,158
Total	440,458	8,083	515,521	69,842	1,033,904	1,006,866
Governance costs						
Salaries	31,589	-	-	-	31,589	30,537
Pension costs	493	-	-	-	493	1,632
Audit and accountancy fees	-	-	5,103	-	5,103	6,522
Bookkeeping	-	-	4,813	-	4,813	3,784
Bank charges	-	-	5,905	-	5,905	6,120
Sundries	-	-	2,058	-	2,058	2,140
Depreciation	-	1,917	-	-	1,917	912
Allocated support	-	-	-	7,760	7,760	9,712
Total	32,082	1,917	17,879	7,760	59,638	61,359

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

6. Total resources expended (continued)

	Staff costs £	Depreciation £	Other direct costs £	Allocated other costs £	Total 2016 £	Total 2015 £
Total resources expended						
Direct charitable expenditure	440,458	8,083	515,520	69,842	1,033,904	<i>1,006,866</i>
Governance costs	32,082	1,917	17,879	7,760	59,638	<i>61,359</i>
	<u>472,540</u>	<u>10,000</u>	<u>533,399</u>	<u>77,602</u>	<u>1,093,542</u>	<u><i>1,068,225</i></u>
Analysis of funds						
Restricted	-	8,083	43,982	-	52,065	
Unrestricted	<u>472,540</u>	<u>1,917</u>	<u>489,417</u>	<u>77,602</u>	<u>1,041,477</u>	

For the year ended 31 August 2015

Restricted	-	10,036	46,388	-	-	56,424
Unrestricted	<u>451,537</u>	<u>912</u>	<u>513,096</u>	<u>46,256</u>	<u>59,638</u>	<u><i>1,011,801</i></u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year in their capacity as trustees (2014: £nil).

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2016 Number	2015 Number
Trading operations	<u><u>10</u></u>	<u><u>9</u></u>

Employment costs

	2016 £	2015 £
Wages and salaries	400,757	379,194
Social security costs	29,672	28,234
Other pension costs	42,112	40,689
	<u><u>472,541</u></u>	<u><u>448,117</u></u>

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

Employees (continued)

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

	2016	2015
	Number	Number
£60,000 to £70,000	2	1

Of the employees whose emoluments exceed £60,000, 1 (2015: 1 employee) has retirement benefits accruing under defined benefit pension schemes. A total of £19,780 (2015 : £8,830) was paid to the Teachers' pension Scheme in the year for this employee.

9 Taxation

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

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

10	Net (outgoing)/incoming resources for the year	2016	2015
		£	£
	This is stated after charging:		
	Staff pension contributions	42,112	40,689
	Depreciation of tangible assets	10,000	10,948
	Auditors' remuneration		
	- as auditors	5,400	3,600
	- other services	300	2,922

11	Tangible fixed assets	Office equipment	Computer equipment	Musical instruments	Total
		£	£	£	£
	Cost				
	At 1 September 2015	27,214	28,268	185,605	241,087
	Additions	-	4,931	2,021	6,952
	At 31 August 2016	27,214	33,199	187,626	248,039
	Depreciation				
	At 1 September 2015	25,844	26,903	155,296	208,043
	Charge for the year	299	1,618	8,083	10,000
	At 31 August 2016	26,143	28,521	163,379	218,043
	Net book value				
	At 31 August 2016	1,071	4,678	24,247	29,996
	At 31 August 2015	1,370	1,365	30,309	33,044

12	Stocks	2016	2015
		£	£
	Stock	1,500	1,890

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

13 Debtors	2016	2015
	£	£
Trade debtors	4,865	-
Other debtors	7,384	19,690
	12,249	19,690
14 Creditors: amounts falling due within one year	2016	2015
	£	£
Trade creditors	28,324	2,268
Accruals and deferred income	88,010	95,970
Pension control	-	378
Taxes and social security costs	8,575	9,097
Other creditors	9,246	8,756
	134,155	116,469
15 Deferred income	2016	2015
	£	£
Deferred income is included within:		
Creditors due within one year	63,064	38,171
	63,064	38,171
Total deferred income at 1 September 2015	38,171	40,645
Amounts received in year	63,064	38,171
Amounts credited to statement of financial activities	(38,171)	(40,645)
Total deferred income at 31 August 2016	63,064	38,171

Deferred income relates to payments received in advance for the next academic year.

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

16 Unrestricted funds

	Balance at 1 September 15	Movement in funds		Transfers	Balance at 31 August 2016
	£	Incoming resources £	Resources expended £	£	£
P Woodings bursary fund	5,601	-	(155)	-	5,446
General fund	77,437	796,399	(1,041,322)	251,612	84,126
	<u>83,038</u>	<u>796,399</u>	<u>(1,041,477)</u>	<u>251,612</u>	<u>89,572</u>

The transfer related to the grant from Arts Council England (ACE) which is applied to the charitable expenses in the year.

17 Restricted funds

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

	Balance at 1 September 15	Movement in funds		Transfers	Balance at 31 August 2016
	£	Incoming resources £	Resources expended £	£	£
Greenwood bursary fund	9,568	-	-	-	9,568
Federation of Music Services	11,883	-	(8,083)	-	3,800
Arts Council England - Core	-	251,612	-	(251,612)	-
Arts Council – The Grace Project	-	15,000	(15,000)	-	-
Arts Council - SUSO RAH 2017	-	21,241	(21,241)	-	-
Dorothy Taylor Bequest	4,704	-	(462)	-	4,242
Arts Council England - Grants for the arts	5,857	1,422	(7,279)	-	-
	<u>32,012</u>	<u>289,275</u>	<u>(52,065)</u>	<u>(251,612)</u>	<u>17,610</u>

Arts Council England (ACE) made a grant available to the charitable company during the year. The use of the grant has no specific restrictions; however, the funding is subject to the charitable company delivering the agreed activities within the core roles and extension roles of the National Plan for Music Education as highlighted within the Trustees' Report. The funds received in the year have been transferred to the general fund to be set off against expenses in the year that relate to the agreed activities with ACE.

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

18 Analysis of net assets among funds

	Restricted funds £	Unrestricted funds £	Total 2016 £	Total 2015 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	17,626	11,299	28,925	33,044
Net current assets	(16)	78,273	78,257	82,006
	<u>17,610</u>	<u>89,572</u>	<u>107,182</u>	<u>115,050</u>

19 Commitments under operating leases

At 31 August 2016 the company had all commitments under non-cancellable operating leases as follows :

	2016 £	2015 £
<u>Property rental</u>		
Expiry date:		
Within one year	-	3,750
Between two and five years		-
	<u>18,021</u>	<u>3,750</u>
	<u>18,021</u>	<u>3,750</u>

20 Company limited by guarantee

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

MERTON MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

21 Teachers' Pension Scheme

The charity participates in the Teachers' Pension Scheme (England and Wales) (the "TPS"), for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £40,470 (2015: £38,551).

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament. It is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the charity. As required by FRS17 "Retirement Benefits", the charity accounts for this scheme as if it were a defined contribution scheme.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. This report confirmed that the employer contribution rate for the TPS will increase from 14.1% to 16.4% although, recognising that teaching establishments work on an academic and not financial year, the Government has deferred the implementation of this increase to 1 September 2015. Employers will in addition pay a scheme administration levy of 0.08% of the employers' salary costs which will increase the total payment rate from 16.4% to 16.48%.

The next revision to the employer contribution rate is not expected to take effect until 1 April 2019. This will follow on from the next actuarial valuation which is due at 31 March 2016. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

Four members of staff who are not eligible to join the Teachers' Pension Scheme participated in a defined contribution scheme to which the charity contributed £1,642 (2015: £2,135).

22. Reconciliation of net income / expenditure to net cash flow from operating activities

	2016 £	2015 £
Net expenditure for the reporting period	(7,868)	(6,635)
Interest from Investments	(87)	(59)
Depreciation charges	10,000	10,947
Loss/(profit) on sale of fixed assets	-	32
Decrease in stocks	390	(1,073)
Decrease in debtors	7,441	10,208
Increase in creditors	17,686	(21,759)
Net cash provides by / (used in) operating activities	27,562	(8,339)

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

23. Analysis of cash and cash equivalents

	2016	2015
	£	£
Cash in hand	<u>197,592</u>	<u>176,895</u>