

HARROW YOUNG MUSICIANS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2018

THURSDAY



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HARROW YOUNG MUSICIANS
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YEAR ENDED 31ST AUGUST 2018

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DIRECTORS AND TRUSTEES:

Miss P Lyne
Mr M Gooding
Mr D Desmond
Mr L Davies
Mrs M Abbott
Mr P Aplin
Cllr K Ferry

REGISTERED OFFICE:

3 Chicheley Gardens
Harrow
England HA3 6QH

COMPANY NUMBER:

03333808

CHARITY NUMBER:

1066985

WEBSITE:

www.hym.org

HARROW YOUNG MUSICIANS
DIRECTORS AND TRUSTEES REPORT
YEAR ENDED 31ST AUGUST 2018

The directors and trustees present their annual report together with the accounts of the Charity for the year ended 31st August 2018.

PRINCIPAL ACTIVITY

The principal activity of the Charity is to organise musical opportunities for young people who live in and around the Borough of Harrow. This involves weekly term time rehearsals and regular public concerts.

Harrow Young Musicians ('HYM') has gained an enviable reputation for music-making to a high level in a lively and friendly atmosphere.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is a Company limited by guarantee, governed by its Memorandum and Articles of Association.

GOVERNANCE

The board set strategic objectives and ensured effective controls were in place for the management of the Charity. The trustees have considered the Charity Commission's general guidance on public benefit in relation to the aims of the Charity. The report sets out these aims and objectives in relation to the advance of music education and describes how they have been met in the current year.

DIRECTORS AND TRUSTEES

HYM is managed by a committee comprising volunteers and the HYM Director of Music.

HYM is run and managed in full compliance with, and according to, the Memorandum and Articles of Association.

The Directors and Trustees that held office during the period of the accounts and to the date the accounts were signed are:-

Miss P Lyne	Director,	Trustee
Mrs M Abbott	Director	Trustee
Mr L Davies	Director, Assistant Treasurer	Trustee
Mr P Aplin	Director, Treasurer	Trustee
Mr D Desmond	Director, Chair	Trustee
Cllr K Ferry	Director, Vice Chair	Trustee
Mr M Gooding	Music & Artistic Director	

HARROW YOUNG MUSICIANS
DIRECTORS AND TRUSTEES REPORT
YEAR ENDED 31ST AUGUST 2018

OBJECTIVES

The Charity's Objects are to advance public education in all aspects of music and in particular children and young people living in Harrow, Middlesex. In addition, HYM have an objective to develop and improve children's behaviour, confidence and self-esteem through the experience of music in large groups.

FUNDING

HYM no longer receives the grant it previously received from the London Borough of Harrow. Income is now exclusively covered by fees paid by members and voluntary donations. This pays for specialist music staff to lead weekly rehearsals and pay for the hire of premises.

HYM presents public concerts and receives income for these from ticket sales. This income offsets the cost of concert hall rental, and music and instrument hire.

PROJECTS AND ACTIVITIES

All individual groups perform in public concerts. There are larger concerts when groups perform together including: Harrow Speech Room, St. John Smith's Square, LSO St Luke's and St Marks Basilica, Venice.

HYM organises tours. The cost of the tours is intended to be covered by members' payment with no profit to HYM.

SERVICES

In addition to providing the opportunity for children to improve their musical abilities, there is an indirect pastoral care benefit for the members of HYM. This pastoral care allows the children to develop in a positive environment, encouraging good behaviour and allowing their individual personalities to grow and mature.

ACHIEVEMENTS

HYM concerts are notable for the excellent reception that greets the end of most of its performances. It offers a shared experience for the family with children performing to local dignitaries and their parents and other family members.

VOLUNTEER CONTRIBUTIONS

HYM is reliant on volunteer contributions principally from parents, trustees and former students who contribute time and energy in helping HYM run tours and successfully stage concerts as well as assisting in the day to day operation of the charity.

HARROW YOUNG MUSICIANS
DIRECTORS AND TRUSTEES REPORT
YEAR ENDED 31ST AUGUST 2018

REVIEW OF THE YEAR

HYM continued to offer music services to young people throughout the year with a number of concerts at Hatch End High School as well as concerts at Harrow Speech Room, St. John Smith's Square and LSO St Luke's with concerts featuring guest musicians with international reputation such as Guy Barker. In addition, there was a Senior tour to Venice which included a performance in St Marks Basilica.

Along with The Peter Hinkley Trust and the Harrow Music Service, HYM made contributions to support children in families with financial hardship in regard to the provision of musical tuition.

HYM continued to perform at a large number of civic and community events in the Borough.

FINANCIAL REVIEW OF THE YEAR

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the company's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' effective January 2015.

The loss for the year was £24,566 (2017: loss of £42,383). The loss was caused by a deficit in the day-to-day running of HYM of £24,028, which was principally caused by a reduction in the number of students and donations in recent years combined with the costs of HYM being largely fixed in the short term. The tours for the current year operated with a small deficit, compared to a large loss in prior year, due to increases in the number of students attending the senior tour and increased contributions from members.

The financial statements show a net reserves position of £41,354. Significant changes have been made to the organisation for the financial year ending 31 August 2019 with HYM operating from new premises at reduced cost, a reduction in the number of groups operating to ensure all groups are viable and a reduction in salaries and conductors fees. These changes should ensure that HYM will be in a break-even position from the financial year ended 31 August 2019.

MANAGEMENT POLICIES

The principal financial management policies are:

- Set a fair and realistic fee to charge the children that attend HYM
- Set a fair and affordable price for entry to the concerts
- Set and agree affordable rates of pay to engage musicians to direct the rehearsals and concerts
- Settle promptly invoices received and other costs. E.g. Hire of premises and purchase of music
- The financial objective is to break even or incur a small deficit or surplus and to not retain excessive reserves

Other management policies:

- Meet responsibilities in terms of safe-guarding and child protection and child care
- Address complaints and whistle blowing
- Formulate anti bullying

HARROW YOUNG MUSICIANS
DIRECTORS AND TRUSTEES REPORT
YEAR ENDED 31ST AUGUST 2018

TRUSTEES' RESPONSIBILITIES

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date, and of its incoming resources and application of resources, including income and expenditure for the financial year. In preparing those financial statements, the Trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees have at all times complied with the duty in section 4 of the 2006 Charities Act to have due regard to guidance published by the Charity Commission, including public benefit guidance.

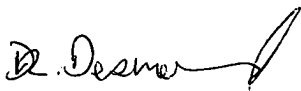
The Company is one limited by guarantee and not having a share capital.

Approval

In preparing this report, the directors and trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Board on 28 May 2019 and signed on its behalf.

By Order of the Board



Derek Desmond (Chairman)

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HARROW YOUNG MUSICIANS

I report to the trustees (who are also Directors for the purpose of company law) on my examination of the financial statements of Harrow Young Musicians ('the charitable company') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of charitable company you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the Act and are eligible for independent examination, I report in respect of my examination of the charitable company's financial statements carried out under section 145 of the Charities Act 2011 ('the 2011 Act') and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair view which is not a matter considered as part of an independent examination; or
- the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



29th May 2019

Elizabeth Irvine FCA

WMT – Chartered Accountants

Verulam Point

Station Way

St Albans

Hertfordshire

AL1 5HE

HARROW YOUNG MUSICIANS
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING AN INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31ST AUGUST 2018

	<u>Note</u>	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Income and endowments from:					
Donations and legacies	2	23,962	-	23,962	21,198
Charitable activities	3	77,242	41,179	118,421	116,981
Investments	8	88	-	88	290
Total Income		101,292	41,179	142,471	138,469
Expenditure on:					
Charitable activities	4	(125,320)	(41,717)	(167,037)	(180,852)
Total Expenditure		(125,320)	(41,717)	(167,037)	(180,852)
Net Expenditure		(24,028)	(538)	(24,566)	(42,383)
Transfer between funds	13	(538)	538	-	-
Net movement in funds		(24,566)	-	(24,566)	(42,383)
Reconciliation of funds:					
Brought forward		65,920	-	65,920	108,303
Carried forward		41,354	-	41,354	65,920

The notes on pages 8 to 13 form an integral part of these financial statements.

HARROW YOUNG MUSICIANS
BALANCE SHEET AS AT 31ST AUGUST 2018

	<u>Note</u>	2018 £	2018 £	2017 £	2017 £
Current Assets:					
Debtors	9	38,020		23,427	
Cash at bank and in hand		12,171		81,237	
			50,191		104,664
Creditors: Amounts falling due within one year	10		(8,837)		(38,744)
Total net Assets			41,354		65,920
Accumulated funds:					
Unrestricted income funds	13	41,354		65,920	
Restricted income funds	13	-		-	
Total funds			41,354		65,920

The directors and trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and no notice requiring an audit has been deposited under section 476 of the Act.

The directors and trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Under the Companies Act 2006, on a voluntary basis, the trustees can amend the financial statements if they subsequently prove to be defective.

The financial statements were approved by the Board on 28 May 2019 and signed on its behalf.



Peter Aplin: Director and Trustee

Company number: 03333808

Charity number: 1066985

The notes on pages 8 to 13 form an integral part of these financial statements.

HARROW YOUNG MUSICIANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2018

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

1.1 Basis of accounting

The financial statements have been prepared (a) under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts: and (b) in accordance with the Companies Act 2006, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), 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, referred to as 'SORP 2015').

They also include the results of the charity's operations which are described in the Directors' and Trustees' Report, all of which are continuing.

HYM meets the definition of a public benefit entity under FRS 102.

1.2 Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

1.3 Incoming Resources

Income from the company's various sources is shown gross with the associated costs included under 'Resources Expended'.

Unless otherwise stated, all grants, whether capital or revenue, are accounted for in the period in which they are receivable. No permanent endowments have been received in the year.

1.4 Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly and costs of an indirect nature to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

1.5 Going concern

The financial statements have been prepared on a going concern basis. The trustees believe that the company has enough reserves for at least 12 months from signing date of these accounts.

1.6 Debtors

Debtors are recognised at settlement value.

HARROW YOUNG MUSICIANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2018

1. ACCOUNTING POLICIES (Continued)

1.7 Liabilities

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

1.8 Taxation

The company is not liable to taxation being a registered charity.

1.9 Financial Instruments

The company has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and are then measured at amortised cost. Financial assets held at amortised cost comprise cash at bank and debtors. Financial liabilities held at amortised cost are creditors (including accruals).

1.10 Judgements

Preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported as assets and liabilities at the balance sheet date and the amounts reported as revenues and expenses during the year. Actual outcomes could differ from those estimates. No judgements made have had a significant effect on the amounts recognised in the financial statements.

2. VOLUNTARY INCOME

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds* 2017 £
Donations	7,642	-	7,642	10,834
Gift Aid tax refund	16,320	-	16,320	10,364
Total voluntary income	23,962	-	23,962	21,198

* All voluntary income received in 2017 was unrestricted

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
Membership fees	65,604	-	65,604	66,337	-	66,337
Concert & refreshment sales	11,638	-	11,638	17,079	-	17,079
Tour	-	41,179	41,179	-	33,457	33,457
Miscellaneous	-	-	-	-	108	108
Total voluntary income	77,242	41,179	118,421	83,416	33,565	116,981

HARROW YOUNG MUSICIANS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2018

4. TOTAL RESOURCES EXPENDED

	Basis of allocation	Charitable expenditure 2018 £	Governance 2018 £	Total expenditure 2018 £	Total expenditure 2017 £
Costs directly allocated to activities					
Salaries and employers NIC		40,579	-	40,579	38,837
Conductors and tutors fees		37,970	-	37,970	47,084
Student fees		4,744	-	4,744	7,047
Costs for Tour	restricted	41,717	-	41,717	54,237
Music costs		2,944	-	2,944	1,936
Instruments		-	-	-	788
Concert costs		11,592	-	11,592	9,850
Saturday a.m. refreshments costs		1,809	-	1,809	1,124
Exam entries	restricted	-	-	-	108
		<u>141,355</u>	<u>-</u>	<u>141,355</u>	<u>161,011</u>
Support costs allocated to activities					
Premises costs		21,336	-	21,336	16,780
Insurance		1,040	-	1,040	-
Office costs		192	-	192	448
Photocopying		-	-	-	451
Telephone		681	-	681	490
Payroll service charge		-	-	-	507
Accountancy fees		-	-	-	(170)
Independent examiners		-	960	960	1,000
Accounting software costs		373	-	373	-
Miscellaneous		1,070	-	1,070	300
Bank Charges		30	-	30	35
		<u>24,722</u>	<u>960</u>	<u>25,683</u>	<u>19,841</u>
Total resources expended		<u>166,077</u>	<u>960</u>	<u>167,037</u>	<u>180,852</u>

5. OPERATING SURPLUS/DEFICIT

This is stated after charging	2018 £	2017 £
Employee costs (see note 6)	40,579	38,837
Independent Examination fee	960	1,000
Total	<u>41,539</u>	<u>39,837</u>

HARROW YOUNG MUSICIANS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2018

6. ANALYSIS OF STAFF COSTS AND DIRECTOR REMUNERATION AND EXPENSES

	2018	2017
	£	£
Gross salaries	33,200	35,000
Employers NIC	7,379	3,837
	<u>40,579</u>	<u>38,837</u>
Total staff costs	<u>40,579</u>	<u>38,837</u>

There were no employees in receipt of emoluments greater than £60,000 (2017 - Nil).
Average number of staff during the year 1: (2017: 1)
The gross salary above was paid to a director.

7. RELATED PARTY TRANSACTIONS

The following reimbursed expenses were made to trustees and directors for charity expenditure:

	2018	2017
	£	£
Refreshment costs	110	74
Tour costs	1,267	226
Other support costs	1,135	286
Exam fees	-	108
Music costs	190	121
	<u>2,702</u>	<u>815</u>
Total reimbursements	<u>2,702</u>	<u>815</u>

The number of trustees and directors reimbursed expenses during the year was 2 (2017: 4 trustees and directors).

8. INVESTMENT INCOME

	2018	2017
	£	£
UK Bank interest - gross	88	290
	<u>88</u>	<u>290</u>
Total	<u>88</u>	<u>290</u>

HARROW YOUNG MUSICIANS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2018

9. DEBTORS

	2018	2017
	£	£
Gift Aid tax refund	36,320	20,000
Tour income	545	445
Concert income	343	1,942
Prepayments	812	1,040
Total	<u>38,020</u>	<u>23,427</u>

10. CREDITORS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Taxation and social security	6,564	1,167
Accountant and independent examination costs (2016)	-	1,080
Tour hotel and travel agency costs	-	30,879
Other creditors	1,138	1,695
Accruals (note 11)	1,135	3,923
Total	<u>8,837</u>	<u>38,744</u>

11. ACCRUALS

	2018	2017
	£	£
Tour costs	135	1,123
Independent examination	1,000	1,000
Salaries	-	1,800
Total	<u>1,135</u>	<u>3,923</u>

12. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets held at amortised cost		
Debtors	1,700	3,427
Cash at bank and in hand	12,172	81,237
Total	<u>13,872</u>	<u>84,664</u>

	2018	2017
	£	£
Financial liabilities measured at amortised cost		
Creditors	1,135	2,123

HARROW YOUNG MUSICIANS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2018

13. MOVEMENTS IN FUNDS

	1st September 2017	Incoming resources £	Outgoing resources £	Transfers £	31st August 2018 £
Restricted Funds:					
Tour	-	41,179	(41,717)	538	-
	-	41,179	(41,717)	538	-
Unrestricted Funds					
General funds	65,920	101,292	(125,320)	(538)	41,354
	65,920	101,292	(125,320)	(538)	41,354
Total Funds	65,920	142,471	(167,037)	-	41,354