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The UK Association for Music
Education – Music Mark (formerly The
Federation of Music Services)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2013

**The UK Association for Music Education – Music Mark
(formerly The Federation of Music Services)
OFFICERS AND PROFESSIONAL ADVISORS**

Legal and Administrative Information

Company Name	The UK Association for Music Education – Music Mark (formerly The Federation of Music Services) 6134823
Registered Company Number	1118542
Registered Charity Number	
Registered Office and Operational Address	Suite 23, Tulip House, 70 Borough High Street London SE 1 1XF
Board of Trustees	Nigel Taylor (Chair) Carolyn Baxendale James Garnett Tony Mealings Fiona Pendreigh Graeme Smith (Treasurer)
Patron	Charles Hazelwood
Company Secretary and Chief Executive	Virginia Haworth-Galt
Auditor	Baker Tilly UK Audit LLP 2 Whitehall Quay Leeds LS1 4HG
Bankers	CAF Bank Limited 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ
Solicitors	Bates Wells & Braithwaite 2-6 Cannon Street, London EC4M 6YH

The UK Association for Music Education – Music Mark (formerly The Federation of Music Services)

TRUSTEES' REPORT

For the year ended 31 March 2013

TRUSTEES' ANNUAL REPORT

The Trustees (who are also directors for the purposes of company law) present their report and the financial statements of The UK Association for Music Education – Music Mark (formerly The Federation of Music Services) (the “Charity” or “Music Mark”) for the year ended March 2013. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) “Accounting and Reporting by Charities”, issued in 2005.

Reference and administration information set out on page 2 forms part of this report. The financial statements have been prepared in accordance with the accounting policies set out on pages 15 and 16, and comply with the applicable law, the Memorandum and Articles of Association and the requirements of the Statement of Recommended Practice, “Accounting and Reporting by Charities”, issued in 2005.

CONSTITUTION OF THE CHARITY AND NATURE OF GOVERNING DOCUMENT

The Charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association (adopted 18 May 2007, revised 7 February 2013). The Charity does not have share capital, cannot pay dividends and must utilise all its funds to further its stated charitable objectives.

MERGER OF MUSIC EDUCATION CHARITIES

Following full consultation with their respective memberships over the course of the preceding twelve months, the Boards of the Federation of Music Services (“FMS”) and the National Association of Music Educators (“NAME”) (registered charity no. 1124612) agreed to merge their activities to form a larger and stronger membership organization to advance music education.

To enable the merger The Federation of Music Services, as the continuing entity, adopted new Articles of Association by special resolution on 7 February 2013 and changed its name to ‘The UK Association for Music Education – Music Mark’ at the same date. The effective date for the operational completion of the merger was 28 February 2013 after which Music Mark has carried out the activity formerly conducted by both the Federation of Music Services and the National Association of Music Educators.

PRINCIPAL ACTIVITY AND OBJECTS

As stated in its Memorandum of Association, Music Mark’s charitable objects are to advance the education of the public in the art of music.

Music Mark is a membership organisation that supports quality music education for all and aims to provide a unified voice for all those involved in music education and to improve the learning and personal outcomes for children and young people in and out of schools. The organisation:

- advocates, celebrates and challenges on behalf of children and young people locally, regionally and nationally;
- supports professional development within the national community of music education;
- provides rich opportunities for debate; learning and the sharing of best practice to drive standards and achieve high quality in music education; and
- connects all those who contribute to the music education of children and young people in different contexts, unlocking the potential to raise standards and improve outcomes.

The UK Association for Music Education – Music Mark (formerly The Federation of Music Services)

TRUSTEES' REPORT

For the year ended 31 March 2013

GOVERNANCE AND ORGANISATION

Recruitment and Appointment of New Trustees

The appointment of the Board of Trustees is governed by the Charity's constitution. Prior to 7 February 2013 the Board of Trustees, known as the Executive Committee, was required to have no fewer than 16 Trustees and no more than 20. Those who served during the year up to 7 February 2013 were:

Elected Trustees

John Clemson (Secretary)
Oonagh Barry
Carolyn Baxendale
Graeme Smith (Treasurer)
Nigel Hiscock

Trustees nominated on behalf of the Regions

Angela Ball	
Ian Burton	(resigned 15 June 2012)
Peter Chivers	
Ian Colthart	(appointed 15 June 2012)
Dónal Doherty	
Trevor Jones	(appointed 15 June 2012)
Thom Meredith	
Ken Parr	
Nigel Taylor (Chair)	
John Treherne	(resigned 15 June 2012)
Alun Williams	

Co-opted Trustees

Peter Bolton

At the meeting of the Trustees held on 7 February 2013, at which the special resolutions enabling the merger of the Federation of Music Services (FMS) with the National Association of Music Educators (NAME) were approved, all the then Trustees of FMS resigned and the following three Trustees were re-appointed:

Graeme Smith	for an initial term of office until the 2013 Annual General Meeting
Carolyn Baxendale	for an initial term of office until the 2014 Annual General Meeting
Nigel Taylor	for an initial term of office until the 2015 Annual General Meeting

At the same meeting the following NAME Trustees were also appointed as Trustees of Music Mark:

James Garnett	for an initial term of office until the 2013 Annual General Meeting
Tony Mealings	for an initial term of office until the 2014 Annual General Meeting
Fiona Pendrigh	for an initial term of office until the 2015 Annual General Meeting

Following the appointments made as above, Nigel Taylor was appointed Chair and Graeme Smith was appointed Treasurer on 7 February 2013.

The UK Association for Music Education – Music Mark (formerly The Federation of Music Services)

TRUSTEES' REPORT

For the year ended 31 March 2013

These initial appointments fill the six Elected Trustee positions as specified in the new Articles of Association adopted by special resolution at that meeting. In addition, the Articles state that four Co-opted Trustees will be appointed annually by the Trustees at their first meeting following the AGM. These are expected to be appointed later in 2013 following the AGM scheduled for November 2013.

Induction and Training of New Trustees

All new Trustees attend an induction Trustee Board Meeting where their roles are fully explained. They receive regular information about trustee training and, in the view of the Trustees, have enough knowledge of their specific field to understand the nature of the Charity and fully comply with the Charity's current views of its progression. Trustees may claim for reasonable expenses (as determined by an agreed policy) incurred in undertaking the Charity's business, but they receive no remuneration or other financial benefit.

Organisational Structure

According to the Charity's revised constitution, the Board of Trustees must hold at least three meetings per year to make decisions about the strategic direction and running of the Charity guided by the Chief Executive. The strategic and operational delivery for Music Mark is undertaken by the full-time Chief Executive and her administrative and support staff.

During the year, whilst the Charity was FMS, a re-organisation was completed whereby the offices located in Otley, Yorkshire and in Salisbury, Wiltshire were exited and new premises leased in London. As part of this re-organisation, the four part and full-time staff working from the Otley and Salisbury offices left FMS and three new part and full-time staff were appointed who now comprise the operations support team for Music Mark. No staff were employed by NAME prior to the merger and, therefore, none transferred.

Additional, specialist functional support is bought in by way of a number of freelance contractors and suppliers (including IT marketing, training, finance and communications).

Related Parties

None of the Trustees who served during the year had any beneficial interest in any contract with the Charity although some have been employees of local authority Music Services that were recipients of Department for Education grants distributed by Music Mark during the year. In carrying out its objectives the Charity works in partnership with other organisations. None of these organisations is a related party within the terms of the SORP.

PURPOSES AND ACTIVITIES

Charitable objectives

The charitable objectives of Music Mark, as set out in the Memorandum and Articles of Association (adopted 18 May 2007, revised 7 February 2013), are to advance the education of the public in the art of music. Music Mark also focuses activities on networking, advocacy and support.

Public Benefit

The Trustees have referred to the guidance offered by the Charity Commission in reviewing aims and objectives and in planning activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives and they ensure that these activities are carried out for the public benefit by delivering services that are valued by our members and enable those with responsibility in the sector to develop and adopt best practice.

Principal Activities

The UK Association for Music Education – Music Mark (formerly The Federation of Music Services)

TRUSTEES' REPORT

For the year ended 31 March 2013

Music Mark represents and supports 99% of all Music Services across England, Wales, Northern Ireland and the Channel Isles. Music Mark is at the heart of instrumental and vocal music education and strives to ensure that schools, parents and Government understand the value and life changing potential of music for all children. Music Mark provides advice, guidance and advocacy on behalf of Music Services and aims to make sure that they are equipped to provide quality standards, progression for all children and maintain a strong and unique relationship with schools and that during these rapidly changing times they are fit to face the future and fit to shape the future.

Music Mark now has around 230 former individual and 20 corporate members of NAME within its membership, the majority of whom are teachers actively engaged in music education.

Music Mark provides national and regional support networks, meetings and opportunities for all its Members and ensures that they have access to up-to-date information and resources. Activities and support for Members includes the development of national standards for instrumental teachers, a curriculum for instrumental teaching called 'A Common Approach', a toolkit for self-evaluation and accredited CPD courses, tool kits on business planning and advice hotlines, events and conferences.

Music Mark ensures that it is positioned to support its Music Service Members as they face a range of significant changes, challenges and uncertainties affecting music education. Music Mark has continued to provide training provision for Music Services via the acclaimed Open University Accredited 'Rising with the Tide' Leadership training.

During the course of the year, Music Mark, as FMS, provided key services for the Department for Education (DfE) linked to quality assurance and the allocation of £25m Music Education Grant (MEG) funding to local authority Music Services in England to deliver music education within Local Authority areas. This funding covered the period from April to July 2012. Music Mark's management responsibilities included ensuring that the grant was distributed effectively and efficiently; enabling good monitoring of grant distribution and grant usage; ensuring that the grants were used to deliver a music education matched to agreed plans. Headline tasks included grant distribution; grant analysis; grant support and grant management services. This was broken down into: financial management; administrative management; relationship management and support. Specific tasks involved setting up and overseeing systems; running and managing processes for grant claims; liaising with claimants; on-going grant management; monitoring and analysis of statistical and quantitative data from Local Authorities and Music Services; monthly monitoring meetings with the DfE.

This activity has subsequently ceased for Music Mark as MEG funding is now distributed by Arts Council England who were directed by the DfE to oversee a process of 'hub bids' submitted in February 2012 in order to award grant funding from August 2013. Music Mark supported Music Services prepare for this new challenge by developing toolkits and providing training in bid writing, governance and partnership working. Music Mark also commissioned and delivered a series of joint information and support events in partnership with ACE. Music Mark also worked in partnership with a commercial organisation to provide training and guidance on data collection.

In the ordinary course of business, Music Mark holds and administers funds, from time to time, on behalf of individual or groups of Music Services members. During the year funds were held on behalf of five regional groups of members and for a specific music project ('SPARKS') for the West Midlands region. At 31 March 2013 the value of these funds totalled £15,534 and £11,121 respectively. These funds are held within Music Mark's bank accounts but are accounted for separately. Disbursement of these funds is made on written agreement from the fund holder.

The UK Association for Music Education – Music Mark (formerly The Federation of Music Services)

TRUSTEES' REPORT

For the year ended 31 March 2013

ACHIEVEMENTS AND PERFORMANCE

The following events and activities were undertaken in the year:

Management of Government Funding

- Managing Music Education Grant (distribution and monitoring of £25m Government Grant).

Quality Assurance and Support

- Working with Ofsted to raise knowledge and understanding of findings and developments;
- Disseminating key policy information on behalf of Ofsted, DfE and ACE;
- Supporting the development of relationship between ACE and Members and supporting the implementation of music education hubs;
- Overseeing data collection exercise for DfE re music education activity.

Advocacy

- Raising the profile of music education via 'Great Music, Great School' campaign;
- Supporting Welsh Music Services develop political advocacy skills;
- Working with DfE and ACE to continue to raise understanding of key role of Music Services in music education;
- Launching new website and social media communication channels to provide information about the work of music services.

Leadership Training

- Delivering 1 cohorts of 'Rising with the Tide' Leadership Training course for Music Service leaders;
- Delivering 2 'Leadership Taster Days'.

Conference

- Delivering the national conference 'FMS Leading the Way' in Cambridgeshire.

Training Support

- Delivering 1 advocacy support day;
- On-going consultation with Membership to assess CPD and support needs and priorities;
- Launching of new website with specialist resources for Members.

Music Education and other Consultations

- In-depth consultation with Members regarding the development of the new organisation;
- In-depth consultation with partners and key stakeholders regarding the development of the new organisation;
- On-going consultation regarding 'Certificate for Music Educators'.

Regional Meetings

- Delivering termly regional networking and support meetings in all regions.

The UK Association for Music Education – Music Mark (formerly The Federation of Music Services)

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EQUALITY OF OPPORTUNITY

Music Mark is committed to a policy of equal opportunities for all employees and to ensuring within the framework of the law that its workplaces are free from unlawful or unfair discrimination. The principles of equality are embedded within the Music Mark ethos and are consistently adhered to in all activity including recruitment (Board and Staff), planning and delivering events and services, marketing and communications and within programme development.

RISK MANAGEMENT

The Music Mark Board of Trustees and the Chief Executive pay due care and attention to risk management and it is a standing agenda item at all Board Meetings. The Chief Executive (on behalf of the Trustees) maintains an ongoing 'risk matrix' covering all areas of reputation, operation and delivery. The Chief Executive is tasked to alert Trustees to new or increased risks identified in any category and mitigating actions are agreed and implemented where necessary. Risk assessment of all new activities is fully undertaken by way of Trustee discussions, and where necessary expert advice is sought and followed.

FINANCIAL REVIEW

Music Mark recorded a surplus of income over expenditure of £18,632 for the year end 31 March 2013 (2012: £4,671,861 deficit). In addition to normal business this included a number of one-off activities.

Contributing to this overall surplus was the donation made by NAME of that charitable company's net assets to the value at £105,405 as part of the merger with FMS in order to establish Music Mark with effect from 28 February 2013. Other than the merger donation, the primary funding sources were membership subscriptions £102,445, conference income £75,936 and management training course fees £42,851. Also included was fee income of £58,300 for the management of £25,000,000 Department for Education Music Education Fund grants to Music Services which covered the period from 1 April 2012 to 31 July 2012. This grant management activity has now been transferred to Arts Council England.

Offsetting the one-off merger donation were non-recurring costs for the office re-organisation, which was completed largely during the last calendar quarter of 2012, and for the costs of preparing and implementing the merger with NAME. These non-recurring costs amounted to £33,048 and £24,194 respectively. Other costs totalling £346,075 were incurred in relation to the normal ongoing business of providing services to members, of which £29,822 were related to governance activities.

Income and expenditure relating to activities formerly carried out by NAME during the month of March, following the effective operational merger date of 28 February 2013, were £1,198 and £2,348 respectively.

Interest receivable amounted to £18,616 (2012: £42,452) with the reduction being due to the lower average bank deposit account balances held compared to last year when grants totalling £75,000,000 were received from the Department for Education before distribution.

RESERVES POLICY

Through careful management of the provision of membership services and strict control of expenditure Music Mark has built up reserves for general contingency requirements. The Trustees have reviewed the level of free reserves (those not tied up in fixed assets, designated for specific purpose or restricted) which the Charity will require in order to maintain its operations over the minimum of a 6 months period. The Trustees consider £122,450 of free reserves (as defined above) to be sufficient to ensure that the Charity could continue to meet the needs of beneficiaries and stakeholders in the event of any unexpected, substantial financial issues.

The UK Association for Music Education – Music Mark (formerly The Federation of Music Services)

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For the year ended 31 March 2013

As of 31 March 2013 actual unrestricted funds were £123,300 and restricted funds were £60,124. Restricted funds have been generated from interest received from holding DfE Music Education grant balances prior to distribution to members. These funds are expected to be used for undertaking research and advocacy on behalf of the members in support of their future funding requirements.

INVESTMENT POLICY

The aim of the Music Mark Investment Policy is to maintain, and ideally increase, the real value of free reserves allowing them to be “inflation proofed” over the long term. Under the Memorandum and Articles of Association the Charity has the powers to invest in any way the Trustees deem fit. The current policy of the Trustees is to invest funds in an interest bearing deposit account in order to meet short to medium term requirements to generate additional income and protect capital.

All income from investments will be used for furthering the charitable objectives.

PLANS FOR THE FUTURE

Membership Support

As a membership organisation it is vital that Music Mark provides services which clearly support the immediate and long-term needs of its Members. The delivery context for music education is undergoing massive changes which will impact on our membership and expose them to a range of challenges and opportunities.

Strategic Developments

The merger of FMS and NAME to form Music Mark has consolidated the Charity's premier position within the music education sector. During the period of merger discussions and implementation the Chief Executive has led a strategic review for the new organisation.

The new organisation's strategic objectives are to

- advocate, celebrate and challenge on behalf of children and young people locally, regionally and nationally;
- support professional development within the national community of music education;
- provide rich opportunities for debate; learning and the sharing of best practice to drive standards and achieve high quality in music education; and
- connect all those who contribute to the music education of children and young people in different contexts, unlocking the potential to raise standards and improve outcomes.

OBJECTIVES FOR 2013/14

The Trustees, in conjunction with the Chief Executive, have targeted some key areas for development and achievement during the year 2013/14:

- To provide high level targeted and relevant support meeting the wide range of Members' needs;
- To undertake pivotal national advocacy work and lobbying for future funding of music education;
- To ensure that the new organisation is widely recognised across the music education sector;
- To launch a new website in March 2013 with Membership sections functioning by June 2013;
- To deliver a key music education symposium and national conference; and
- To further develop links with the music industry.

The UK Association for Music Education – Music Mark (formerly The Federation of Music Services)

TRUSTEES' REPORT

For the year ended 31 March 2013

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The UK Association for Music Education – Music Mark (formerly The Federation of Music Services) for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

The Charity's auditor, Baker Tilly UK Audit LLP, have signified their willingness to continue in office.

APPROVAL

Approved by the Trustees on

and signed on their behalf by


Nigel Taylor
Trustee

26 / 9 / 13

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UK
ASSOCIATION FOR MUSIC EDUCATION – MUSIC MARK (FORMERLY THE
FEDERATION OF MUSIC SERVICES)**

We have audited the financial statements of The UK Association for Music Education- Music Mark (formerly The Federation of Music Services) for the year ended 31 March 2013 on pages 11 to 24. 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).

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

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 March 2013 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Baker Tilly UK Audit LLP.

VICTORIA CRAVEN (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

2 Whitehall Quay

Leeds

LS1 4HG

5 November 2013

The UK Association for Music Education – Music Mark (formerly The Federation of Music Services)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2013

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 31 March 2013 £	Total Funds 31 March 2012 £
INCOMING RESOURCES					
INCOMING RESOURCES FROM GENERATED FUNDS					
Investment income	2	279	18,337	18,616	42,452
Voluntary income					
Donation from NAME	3	105,405	-	105,405	-
Sponsorship income	3	7,351	-	7,351	11,500
INCOMING RESOURCES FROM CHARITABLE ACTIVITIES					
Membership services	4	186,008	-	186,008	180,258
Education services	4	46,270	-	46,270	84,896
Grant management	4	58,300	-	58,300	225,300
Grants	4	-	25,000,000	25,000,000	76,956,671
TOTAL INCOMING RESOURCES		<u>403,613</u>	<u>25,018,337</u>	<u>25,421,950</u>	<u>77,501,077</u>
RESOURCES EXPENDED					
Charitable activities	5	316,253	25,000,000	25,316,253	81,879,877
Governance costs	6	29,822	-	29,822	39,310
Other resources expended	7	57,243	-	57,243	253,751
TOTAL RESOURCES EXPENDED		<u>403,318</u>	<u>25,000,000</u>	<u>25,403,318</u>	<u>82,172,938</u>
NET MOVEMENT IN FUNDS	17	295	18,337	18,632	(4,671,861)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>123,005</u>	<u>41,787</u>	<u>164,792</u>	<u>4,836,653</u>
TOTAL FUNDS CARRIED FORWARD		<u>123,300</u>	<u>60,124</u>	<u>183,424</u>	<u>164,792</u>

All activities derive from continuing operations except the income and expenditure shown for the year under Restricted Funds that relate to the distribution of Department for Education (DfE) Music Education Grants. This activity has now ceased on completion of the agreement between Music Mark and the DfE.

A Statement of Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The notes on pages 14 to 24 form part of these financial statements

The UK Association for Music Education – Music Mark (formerly The Federation of Music Services)

BALANCE SHEET

As at 31 March 2013

Company Registration No 6134823

	Notes	31 March 2013		31 March 2012	
		£	£	£	£
FIXED ASSETS					
Tangible assets	11		850		1,606
CURRENT ASSETS					
Debtors	12	187,198		94,755	
Cash at bank and in hand	13	107,241		204,674	
		<u>294,439</u>		<u>299,429</u>	
CURRENT LIABILITIES					
Creditors: Amounts falling due within one year	14	(111,865)		(136,243)	
NET CURRENT ASSETS			<u>182,574</u>		<u>163,186</u>
NET ASSETS			<u>183,424</u>		<u>164,792</u>
THE FUNDS OF THE CHARITY					
Unrestricted funds	17				
General fund			123,300		123,005
Restricted funds			60,124		41,787
TOTAL CHARITY FUNDS			<u>183,424</u>		<u>164,792</u>

The financial statements were approved by the Trustees and authorised for issue on

26/09/.....2013 and were signed on their behalf by:



Graeme Smith
Trustee and Honorary Treasurer

The notes on pages 14 to 24 form part of these financial statements

The UK Association for Music Education – Music Mark (formerly The Federation of Music Services)

CASH FLOW STATEMENT

For the year ended 31 March 2013

	<i>Notes</i>	2013 £	2012 £
Cash flow from operating activities	18a	(116,049)	(4,757,099)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		18,616	42,452
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible assets		-	(1,730)
		<u>(97,433)</u>	<u>(4,716,377)</u>
DECREASE IN CASH IN THE YEAR		<u>(97,433)</u>	<u>(4,716,377)</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
		2013 £	2012 £
Decrease in cash in the year		<u>(97,433)</u>	<u>(4,716,377)</u>
Change in net funds	18b	(97,433)	(4,716,377)
Net funds at 1 April	18b	<u>204,674</u>	<u>4,921,051</u>
Net funds at 31 March	18b	<u>107,241</u>	<u>204,674</u>

The UK Association for Music Education – Music Mark (formerly The Federation of Music Services)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

1 ACCOUNTING POLICIES

1.1 ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and the requirements of the Statement of Recommended Practice Accounting and Reporting by Charities issued March 2005.

1.2 GOING CONCERN

The financial statements have been prepared on a going concern basis.

Having carried out a detailed review of the Charity's resources and the current economic challenges facing both the Charity and its members the Trustees are satisfied that the Charity has sufficient cash flows to meet its liabilities as they fall due for at least one year from due date of approval of the financial statements.

1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

During the year the Charity amended its policy regarding fixed assets and depreciation. Assets with a cost in excess of £500 (formerly £100) that are intended to be of on-going use to Music Mark in carrying out its activities are capitalised as fixed assets.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their residual value, over their expected useful lives on the following basis:

Office Equipment	-	3 years (formerly 4 years) on a straight line basis
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1.4 INCOMING RESOURCES

All incoming resources are included on the Statement of Financial Activities when the Charity is certain of receipt, legally entitled to the income and the amount can be quantified with reasonable accuracy.

1.5 RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis as the liability is incurred and has been classified under headings that aggregate all cost related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis, consistent with the use of resources, of 90% to educational activities and 10% to governance costs.

1.6 VALUE ADDED TAX

The Charity is registered for Value Added Tax and charges and recovers tax as appropriate on its income and expenditure.

The UK Association for Music Education – Music Mark (formerly The Federation of Music Services)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

1.7 TAXATION

The Charity is exempt from tax on income and gains falling within Part II of the Corporation Tax Act 2010 and on gains falling within S236 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

1.8 FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the Charity. Restrictions arose when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature of each fund is included in the notes to the financial statements.

1.9 GOVERNANCE COSTS

These include the costs of governance arrangements for the general running of the charity. These costs include salary costs, audit fee and directly attributable costs.

The UK Association for Music Education – Music Mark (formerly The Federation of Music Services)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

2 INVESTMENT INCOME

	Year ended 31 March 2013 £	Year ended 31 March 2012 £
Bank interest receivable	<u>18,616</u>	<u>42,452</u>

3 VOLUNTARY INCOME

	Year ended 31 March 2013 £	Year ended 31 March 2012 £
Donation from NAME (see below)	105,405	-
Sponsorship income	<u>7,351</u>	<u>11,500</u>

The donation from NAME to merge with the former FMS to establish Music Mark consisted of the assets and liabilities of NAME at 28 February 2013. The net assets donated comprised:

	Year ended 31 March 2013 £	Year ended 31 March 2012 £
Cash	113,292	-
Debtors	11,513	-
Creditors and other current liabilities	(4,385)	-
Deferred income	<u>(15,015)</u>	<u>-</u>
Net Assets donated	<u>105,405</u>	<u>-</u>

The UK Association for Music Education – Music Mark (formerly The Federation of Music Services)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Membership services £	Education services £	Grant management £	Grants £	Year ended 31 March 2013 Total £	Year ended 31 March 2012 Total £
Grants	-	-	-	25,000,000	25,000,000	76,956,671
Annual subscriptions	102,445	-	-	-	102,445	103,157
Annual conference fees	75,936	-	-	-	75,936	70,904
Other conferences and meetings	-	-	-	-	-	397
Management fees	-	-	58,300	-	58,300	225,300
Training courses	-	42,851	-	-	42,851	73,944
Advertising	7,627	-	-	-	7,627	5,800
Miscellaneous	-	3,419	-	-	3,419	10,952
	<u>186,008</u>	<u>46,270</u>	<u>58,300</u>	<u>25,000,000</u>	<u>25,290,578</u>	<u>77,447,125</u>

Grants are comprised of:

	Year ended 31 March 2013 £	Year ended 31 March 2012 £
DfE Music Grants	25,000,000	76,956,671
	<u>25,000,000</u>	<u>76,956,671</u>

The UK Association for Music Education – Music Mark (formerly The Federation of Music Services)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

5 CHARITABLE ACTIVITIES COSTS

	Membership & Educational services	Grant management	Grants	Year ended 31 March 2013 Total £	Year ended 31 March 2012 Total £
Grants	-	19,631	25,000,000	25,019,631	81,333,819
MSEP expenditure	-	-	-	-	148,406
Annual conference costs	59,967	-	-	59,967	60,013
Other conferences and meetings	5,584	-	-	5,584	11,499
Employment costs	110,034	-	-	110,034	128,065
Other contracted staff	1,833	-	-	1,833	-
Training courses	34,695	-	-	34,695	64,949
Office costs	16,646	-	-	16,646	13,852
Printing, postage, IT, stationery & telephone	18,469	-	-	18,469	11,934
Travel costs	9,457	-	-	9,457	11,164
Marketing	24,573	-	-	24,573	81,722
Consultancy	2,685	-	-	2,685	2,444
Accountancy Services	11,695	-	-	11,695	-
Depreciation	680	-	-	680	2,954
Miscellaneous	304	-	-	304	9,056
	<u>296,622</u>	<u>19,631</u>	<u>25,000,000</u>	<u>25,316,253</u>	<u>81,879,877</u>

6 GOVERNANCE COSTS

	Year ended 31 March 2013 Total £	Year ended 31 March 2012 Total £
Staff costs	12,226	14,245
Office costs	1,850	1,539
Printing, postage, IT, stationery & telephone	2,052	985
Travel costs	1,194	1,950
Staff training	-	3,461
Depreciation	76	328
Audit and accountancy services	12,391	12,482
Legal	-	2,304
Bank charges and interest	-	206
Miscellaneous	33	1,810
	<u>29,822</u>	<u>39,310</u>

