

The UK Association for Music
Education – Music Mark

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2014

Company Registration No 6134823
Charity Registration No 1118542

The UK Association for Music Education – Music Mark

LEGAL AND ADMINISTRATIVE INFORMATION

Company Name	The UK Association for Music Education – Music Mark
Registered Company Number	6134823
Registered Charity Number	1118542
Registered Office and Operational Address	Suite 23, Tulip House, 70 Borough High Street London SE1 1XF
Board of Trustees	Nigel Taylor (Chair) Carolyn Baxendale Graham Bland Tony Mealings Richard Morris Tim Sharp Graeme Smith (Treasurer)
Patron	Charles Hazelwood
Company Secretary and General Manager	Jem Shuttleworth
Auditor	Baker Tilly 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

TRUSTEES' REPORT

For the year ended 31 March 2014

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 (the “Charity” or “Music Mark”) for the year ended 31 March 2014. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) “Accounting and Reporting by Charities”, issued in 2005.

Legal and administrative 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 (registered number 6134823) and is governed by its Memorandum and Articles of Association (adopted 18 May 2007, revised 7 February 2013). The Charity is registered with the Charity Commission (registered number 1118542) and 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 the Boards of the Federation of Music Services (FMS), the name by which the Charity was formerly known, and the National Association of Music Educators (NAME) (registered charity no. 1124612) agreed to merge their activities to form a larger and stronger membership organisation 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 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. The year ended 31 March 2014 represents the first full twelve month period of operation of the combined charities.

CHARITABLE 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

TRUSTEES' REPORT

For the year ended 31 March 2014

GOVERNANCE AND ORGANISATION

Recruitment and Appointment of New Trustees

The appointment of the Board of Trustees is governed by the Charity's constitution. Those who served during the year were:

Carolyn Baxendale		
Graham Bland		(appointed 7 February 2014)
James Garnett		(resigned 9 November 2014)
Tony Mealings		
Richard Morris		(appointed 7 February 2014)
Fiona Pendrigh		(resigned 7 February 2014)
Tim Sharp		(appointed 7 February 2014)
Graeme Smith	(Treasurer)	
Nigel Taylor	(Chair)	(resigned 23 September 2014)

In accordance with the appointments made to the Board of Trustees on 7 February 2013, at which the special resolutions enabling the merger of FMS with NAME were approved, Graeme Smith was re-elected at the Annual General meeting held on 7 February 2014. Nigel Taylor was the elected Chair of the Charity at the Board meeting held on 7 February 2013 but resigned at the conclusion of the Board meeting held on 23 September 2014 with Graeme Smith elected Chair at that same meeting.

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 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 General Manager.

The strategic and operational delivery for Music Mark has been undertaken by a full-time General Manager and the administrative and support staff. Additional, specialist functional support is brought in by way of a number of freelance contractors and suppliers (including IT, marketing, training, finance and communications).

The Charity's former Chief Executive, Virginia Haworth-Galt, resigned her post with effect from 31 January 2014. The Trustees wish to record their thanks to the former Chief Executive, particularly for managing the Charity through a challenging period of re-organisation and the merger of FMS with NAME.

Following this change the Board of Trustees completed a review of the merged organisation after its first full year of operation and, in doing so, carefully considered the strategic direction, advocacy, support and services for members, business planning, financial forecasts and staffing. The Trustees concluded that Music Mark needed to be fitter and leaner to successfully meet the current demands and financial pressures.

On 30 April 2014 the Trustees appointed Jem Shuttleworth as the Charity's General Manager effective from 1 May 2014. This role replaced that of Chief Executive.

The UK Association for Music Education – Music Mark

TRUSTEES' REPORT

For the year ended 31 March 2014

Registered office

The Charity's registered office and principal place of business is at Suite 23, Tulip House, 70 Borough High Street, London SE1 1XF.

Related Parties

None of the Trustees who served during the year had any beneficial interest in any contract with the Charity. Five of the Trustees who served during the year were employed during the year by local authority Music Services that paid annual membership fees. The fees paid were individually not of a material value to the Music Services or to the Charity.

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

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

Music Mark represents and supports the majority of all local authority 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 has around 230 individual members, the majority of whom are teachers actively engaged in music education, and 20 corporate members most of whom were formerly members of NAME.

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.

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 previous year ended 31 March 2013, Music Mark (as FMS) completed its activity to distribute Department for Education funding to local authority Music Services for which it received a management fee. This activity was transferred to Arts Council England during 2012. The comparative figures in the financial statements and notes to the accounts on pages 12 to 25 reflect this ceased activity.

The UK Association for Music Education – Music Mark

TRUSTEES' REPORT

For the year ended 31 March 2014

Funds held on behalf of others

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. 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.

POLICIES

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.

Reserves Policy

Through careful management of the provision of membership services and strict control of expenditure Music Mark has built up reserves over past years 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) and consider that free reserves equivalent to six months of management and overhead costs 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 value of free reserves at 31 March 2014 amounted to £85,562 which represents a level equal to between five and six months' management and overhead costs (based on the 2014/15 budget). Future financial planning will seek to restore this balance.

During the year, Music Mark utilized the brought forward level of restricted reserves, which had been accumulated through interest income on holding DfE Music Education grants, to fund the total re-organisation costs of the former FMS and for other expenditure on support for Music Services members.

Investment Policy

The aim of the Investment Policy is to protect the capital value of funds held and, ideally, allow them to be inflation proofed over the long-term. Given the sum of funds held and the need to meet short and medium term requirements, in an environment of historically low risk-free investment returns, funds are held in an interest bearing bank deposit account.

All income from investments is used for furthering the charitable objectives.

Going concern

The financial statements have been prepared under the going concern basis. In the light of the year's significant recorded loss an exercise has been conducted to forecast the Charity's financial results for the two forthcoming years (year ended 31 March 2015 and year ended 31 March 2016). This was reviewed by the Board in September 2014 and indicated that the Charity, barring unforeseen circumstances, will remain solvent with a significant level of reserves throughout the period of two years after the balance sheet date.

The UK Association for Music Education – Music Mark

TRUSTEES' REPORT

For the year ended 31 March 2014

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks faced by the Charity are:

- budget restrictions affecting Music Service members that might impact their continued membership,
- similar restrictions impacting annual conference and/or management training courses attendances,
- membership support services being seen by members to be ineffective or not relevant to their needs,
- the new membership offer for schools not being sufficiently attractive
- loss of key staff

Risk management

The Music Mark Board of Trustees and the General Manager pay due care and attention to risk management and it is a standing agenda item at all Board Meetings. The General Manager (on behalf of the Trustees) maintains an ongoing 'risk matrix' covering all areas of reputation, operation and delivery.

The General Manager 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.

ACHIEVEMENTS AND PERFORMANCE

The year began with the completion of the reorganisation and refocussing of activities following the merger of FMS and NAME in February 2013 with all operations now managed from the former FMS office located in London.

The annual conference, with the theme 'Raising the Bar', took place in November 2013 at the Manchester Central conference centre and attracted record numbers of music education professionals, both members and non-members. The two day programme included workshops, master classes, academic presentations, discussions and debates. It was the first conference to be co-located with the Music Show.

'Rising With The Tide', the leadership training course for senior management in Music Services, completed its sixth annual cohort in November 2013 and continued successfully with a fully booked seventh cohort for which the first two of five sessions took place in January and March 2014.

During the year Music Mark organised a 1-day symposium to examine music curriculum content and a 1-day training event, under the banner title of 'Burning Issues', for Heads of Music services to prepare school music engagement plans in response to an Ofsted report.

As part of the development of its membership services, Music Mark has considered how best to extend its membership scheme to schools to provide them with the benefits of access to resources and networks. During the year, Music Mark re-configured all membership communications to become digital and reviewed its strategy for publications.

The UK Association for Music Education – Music Mark

TRUSTEES' REPORT

For the year ended 31 March 2014

As Music Mark developed its business strategy some staffing changes were made and new staff roles filled to provide administration and event support, and communications and marketing. Freelance consultant resource was engaged to co-ordinate elements of the teaching and learning offer and support with providing resource in light of curriculum changes, activity that was part-funded by a grant from the Pearson Foundation.

Music Mark was successful in obtaining a substantial grant, to be worth £255,000 in total and expected to be received during 2014/15 and 2015/16, from the London Schools Excellence Fund for a four school-term project to transform music teaching at Key Stage 3 involving 210 teachers pan- London. It brings together key music education partners to deliver specialist continuing professional development (CPD), peer-to-peer support and sustainable networks.

FINANCIAL REVIEW

Music Mark recorded a deficit of £97,597 for the year end 31 March 2014 (2013: £18,632 surplus). The year's deficit included costs of re-organisation and other costs arising from the merger of FMS and NAME in February 2013 of £15,554 (2013: £57,243). Last year's surplus also included the one-off asset contribution from NAME totaling £105,405. Excluding these non-recurring costs and income, the year recorded an 'underlying' deficit of £82,043 (£2013: £29,530 deficit).

The increased underlying deficit was largely due to the loss of income for managing the distribution of Department for Education (DfE) Music Education grants (2013: £58,300) which ceased last year. An increase in income from other charitable activities, which comprises membership and education services, of £19,202 in total was largely offset by a reduction in investment income of £18,436.

Expenditure, excluding re-organisation, merger costs and grants, fell slightly year on year by £4,372.

Investment income, representing bank interest receivable, amounted to £180 (2013: £18,616) due mainly to the lower account balances compared to last year when DfE grant monies were held prior to distribution.

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 substantial changes which will impact on our members and present them with a range of challenges and opportunities.

Strategic Developments

The merger in 2013 of FMS and NAME to form Music Mark has consolidated the Charity's premier position within the music education sector. Following the merger the 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.

The UK Association for Music Education – Music Mark

TRUSTEES' REPORT

For the year ended 31 March 2014

Objectives for 2014/15

During the organisational review that was undertaken during early 2014, the Trustees determined that its objectives for the next year would be to:

- refocus and prioritise its support for Music Service members including their roles within Hubs, and with members who work with schools, harnessing expertise within the membership itself,
- improve the strength and visibility of its profile and communication with and amongst Music Services, other organisations and schools,
- develop more proactive advocacy with government and opposition members and with governmental and non-governmental departments,
- increase further the number of music service members,
- increase income from partners and sponsors,
- control costs and staffing levels.

The UK Association for Music Education – Music Mark

TRUSTEES' REPORT

For the year ended 31 March 2014

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The UK Association for Music Education – Music Mark 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.

THIRD PARTY INDEMNITY PROVISION FOR TRUSTEES

Qualifying third party indemnity provision is in place for the benefit of all Trustees of the charity.

AUDITOR

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

APPROVAL

Approved by the Trustees on 23 September 2014 and signed on their behalf by

Nigel Taylor

Chair of Trustees

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE UK ASSOCIATION FOR MUSIC EDUCATION – MUSIC MARK

We have audited the financial statements of The UK Association for Music Education – Music Mark for the year ended 31 March 2014 on pages 12 to 25. 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 10, 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 www.frc.org.uk/auditscopeukprivate

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 2014 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report in preparing the Trustees' Report.

VICTORIA CRAVEN (Senior Statutory Auditor)

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

Chartered Accountants

2 Whitehall Quay, Leeds LS1 4HG

Date:

The UK Association for Music Education – Music Mark
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND
EXPENDITURE ACCOUNT)
For the year ended 31 March 2014

	<i>Notes</i>	Unrestricted Funds £	Restricted Funds £	Total Funds 31 March 2014 £	Total Funds 31 March 2013 £
INCOMING RESOURCES					
INCOMING RESOURCES FROM GENERATED FUNDS					
Investment income	2	180	-	180	18,616
Voluntary income					
Grants	3	-	8,000	8,000	-
Donation from NAME	3	-	-	-	105,405
Sponsorship income	3	-	-	-	7,351
INCOMING RESOURCES FROM CHARITABLE ACTIVITIES					
Membership services	4	197,881	-	197,881	186,008
Education services	4	53,599	-	53,599	46,270
Grant management	4	-	-	-	58,300
Government grants	4	-	-	-	25,000,000
TOTAL INCOMING RESOURCES		<u>251,660</u>	<u>8,000</u>	<u>259,660</u>	<u>25,421,950</u>
RESOURCES EXPENDED					
Charitable activities	5	276,889	35,076	311,965	25,316,253
Governance costs	6	29,738	-	29,738	29,822
Other resources expended	7	15,554	-	15,554	57,243
TOTAL RESOURCES EXPENDED		<u>322,181</u>	<u>35,076</u>	<u>357,257</u>	<u>25,403,318</u>
NET MOVEMENT IN FUNDS	18	(70,521)	(27,076)	(97,597)	18,632
Transfer between funds	18	33,048	(33,048)	-	-
RECONILICATION OF FUNDS					
Funds brought forward		<u>123,300</u>	<u>60,124</u>	<u>183,424</u>	<u>164,792</u>
TOTAL FUNDS CARRIED FORWARD		<u>85,827</u>	<u>-</u>	<u>85,827</u>	<u>183,424</u>

All activities derive from continuing operations except the income and expenditure shown for the comparative year that relate to the distribution of Department for Education Music Education Grants.

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 15 to 25 form part of these financial statements

The UK Association for Music Education – Music Mark

BALANCE SHEET

As at 31 March 2014

Company Registration No 6134823

	<i>Notes</i>	31 March 2014		31 March 2013	
		£	£	£	£
FIXED ASSETS					
Tangible assets	12		265		850
CURRENT ASSETS					
Debtors	13	53,088		187,198	
Cash at bank and in hand	14	125,665		107,241	
		<u>178,753</u>		<u>294,439</u>	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	15	(93,191)		(111,865)	
		<u></u>		<u></u>	
NET CURRENT ASSETS			<u>85,562</u>		<u>182,574</u>
NET ASSETS			<u>85,827</u>		<u>183,424</u>
FUNDS					
	18				
Unrestricted funds					
General fund			85,827		123,300
Restricted funds			-		60,124
TOTAL CHARITY FUNDS			<u>85,827</u>		<u>183,424</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees and authorised for issue on 23 September 2014 and were signed on their behalf by:

Graeme Smith
Trustee and Honorary Treasurer

The notes on pages 15 to 25 form part of these financial statements

The UK Association for Music Education – Music Mark

CASH FLOW STATEMENT

For the year ended 31 March 2014

	<i>Notes</i>	2014 £	2013 £
Cash flow from operating activities	19a	18,244	(116,049)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		180	18,616
		<u>18,424</u>	<u>(97,433)</u>
INCREASE/(DECREASE) IN CASH IN THE YEAR			
		<u>18,424</u>	<u>(97,433)</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Increase/(Decrease) in cash in the year		<u>18,424</u>	<u>(97,433)</u>
Change in net funds	19b	18,424	(97,433)
Net funds at 1 April	19b	<u>107,241</u>	<u>204,674</u>
Net funds at 31 March	19b	<u>125,665</u>	<u>107,241</u>

The UK Association for Music Education – Music Mark

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

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

Assets with a cost in excess of £500 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 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 legally entitled to the income and the amount can be quantified with reasonable accuracy.

Some Music Services and corporate members' membership fees relate to the calendar year. These fees are credited to income pro rata in accordance with the financial year.

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.

1.7 MANAGEMENT AND ADMINISTRATION EXPENDITURE

Expenditure on management and administration of the Charity includes all expenditure not directly related to the charitable activity.

The UK Association for Music Education – Music Mark

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

1.8 TAXATION

The Charity is exempt from tax on income and gains falling within sections 472-489 of the Corporation Tax Act 2011 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

1.9 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.

The UK Association for Music Education – Music Mark

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

2 INVESTMENT INCOME

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Bank interest receivable	<u>180</u>	<u>18,616</u>

3 VOLUNTARY INCOME

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Trusts and Foundations grants	8,000	-
Merger donation from NAME (see below)	-	105,405
General sponsorship	<u>-</u>	<u>7,351</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 £
Fixed Assets	-
Cash	113,292
Debtors	11,513
Creditors and other current liabilities	(4,385)
Deferred income	<u>(15,015)</u>
Net Assets donated	<u>105,405</u>

The UK Association for Music Education – Music Mark

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Membership services £	Education services £	Year ended 31 March 2014 Total £	Year ended 31 March 2013 Total £
Government grants	-	-	-	25,000,000
Annual subscriptions	106,042	-	106,042	102,445
Annual conference fees	66,885	-	66,885	75,936
Other conferences and meetings	7,313	-	7,313	-
Grant management fees	-	-	-	58,300
Training courses	-	53,599	53,599	42,851
Advertising	15,442	-	15,442	7,627
Miscellaneous	2,199	-	2,199	3,419
	<u>197,881</u>	<u>53,599</u>	<u>251,480</u>	<u>25,290,578</u>

Government grants are comprised of:

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Department for Education Music Education Grants	-	25,000,000
	<u>-</u>	<u>25,000,000</u>

The UK Association for Music Education – Music Mark

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

5 CHARITABLE ACTIVITIES COSTS

	Membership services	Educational services	Year ended 31 March 2014 Total £	Year ended 31 March 2013 Total £
Grants and grant management	-	-	-	25,019,631
Annual conference costs	48,441	-	48,441	59,967
Other conferences and meetings	7,985	-	7,985	5,584
Employment costs	115,513	-	115,513	110,034
Other contracted staff	-	-	-	1,833
Training courses	-	31,476	31,476	34,695
Office costs	20,862	-	20,862	16,646
Publications	17,812	-	17,812	-
Printing, postage, IT, stationery & telephone	31,500	-	31,500	18,469
Travel costs	9,650	-	9,650	9,457
Marketing	-	-	-	24,573
Consultancy	19,400	-	19,400	2,685
Accountancy Services	8,589	-	8,589	11,695
Depreciation	526	-	526	680
Miscellaneous	211	-	211	304
	<u>280,489</u>	<u>31,476</u>	<u>311,965</u>	<u>25,316,253</u>

6 GOVERNANCE COSTS

	Year ended 31 March 2014 Total £	Year ended 31 March 2013 Total £
Staff costs	12,835	12,226
Office costs	2,318	1,850
Printing, postage, IT, stationery & telephone	3,500	2,052
Travel costs	1,072	1,194
Depreciation	59	76
Audit and accountancy services	9,954	12,391
Miscellaneous	-	33
	<u>29,738</u>	<u>29,822</u>

The UK Association for Music Education – Music Mark

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

7 OTHER RESOURCES EXPENDED

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Re-organisation costs:		
Additional support staff	-	9,707
Business strategy consultancy	5,686	12,745
Staff redundancy payment	-	4,515
Other relocation expenses	-	6,081
	<u>5,686</u>	<u>33,048</u>
Merger costs:		
Legal fees	-	14,342
Retained temporary staff	5,944	-
Website redesign and launch event	3,924	7,485
Meeting and other expenses	-	2,368
	<u>15,554</u>	<u>57,243</u>

Other resources expended relate to the ‘one-off’ costs incurred by the Charity in re-organising its staffing, office locations and operating structure, and conducting a strategic review of its future activities prior to the merger, and for the costs of preparation and implementation of the merger with NAME.

8 NET INCOMING RESOURCES

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Net incoming resources are stated after charging:		
Auditor’s remuneration – external audit current year	7,500	11,000
Auditor’s remuneration – external audit prior year	1,500	-
Depreciation – owned assets	585	756
Hire of equipment	-	71
	<u>9,585</u>	<u>12,633</u>

9 TRUSTEES’ REMUNERATION AND BENEFITS

During the year no payments were made to Trustees other than the reimbursement of expenses for attending meetings.

TRUSTEES’ EXPENSES

Travel expenses totalling £572 were paid to 2 Trustees in the year (2013 - £143 to 1 Trustee).

The UK Association for Music Education – Music Mark

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

10 EMPLOYEES

	2014 No.	2013 No.
The average number of employees during the year was:		
Chief Executive	0.8	1
Office and administrative support	2.7	3.4
	<u>3.5</u>	<u>4.4</u>
The average number of full-time equivalent employees during the year was:	<u>2.9</u>	<u>3.2</u>

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Staff costs for the above persons:		
Wages and salaries	109,083	113,171
National insurance	11,265	10,837
Redundancy costs	-	4,515
	<u>120,348</u>	<u>128,523</u>

No employee earned more than £60,000 (2013: None)

12 TANGIBLE FIXED ASSETS

Office Equipment		£
COST		
At 1 April 2013		4,209
Cost of assets disposed		-
Additions		-
At 31 March 2014		<u>4,209</u>
DEPRECIATION		£
At 1 April 2013		3,359
Depreciation charged on assets disposed		-
Charge for the period		585
At 31 March 2014		<u>3,944</u>
NET BOOK VALUE		£
At 31 March 2014		<u>265</u>
		£
At 31 March 2013		<u>850</u>

The UK Association for Music Education – Music Mark

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

13 DEBTORS

	31 March 2014 £	31 March 2013 £
Trade debtors, less provision for doubtful debts	47,371	55,318
Taxes receivable	-	8,115
Other debtors	1,586	113,922
Prepayments	4,131	9,843
	<u>53,088</u>	<u>187,198</u>

Other debtors at 31 March 2014 comprised monies owed by Wes Midlands members' SPARKS project.

Other debtors at 31 March 2013 comprised cash in bank current and deposit accounts held by NAME on behalf of Music Mark. These account balances were paid to Music Mark during the year.

14 CASH

	31 March 2014 £	31 March 2013 £
Bank – current accounts	(2,771)	(4,779)
Bank – deposit accounts	128,436	111,790
Petty cash	-	230
	<u>125,665</u>	<u>107,241</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2014 £	31 March 2013 £
Trade creditors	-	14,889
Other taxes and social security costs	14,144	-
Other creditors (see below)	25,911	26,655
Accruals and deferred income (see Note 16)	53,136	70,321
	<u>93,191</u>	<u>111,865</u>

Other creditors

	31 March 2014 £	31 March 2013 £
Monies held for regional groups of Music Service members	25,911	15,534
Monies held for West Midlands members' 'SPARKS' project	-	11,121
	<u>25,911</u>	<u>26,655</u>

The UK Association for Music Education – Music Mark

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

16 ACCRUALS AND DEFERRED INCOME

	31 March 2014	31 March 2013
	£	£
Accruals	12,810	22,640
Deferred income:		
Annual subscriptions	12,246	18,052
Management training fees	28,080	29,629
	<u>40,326</u>	<u>47,681</u>
	<u>53,136</u>	<u>70,321</u>

Deferred income includes annual subscriptions for Music Service members for 2014/15 that were invoiced in advance by request before 31 March 2014 together with the relevant proportion of associate and corporate membership subscriptions that have been paid for the calendar year 2014.

Deferred income also includes the relevant share of fees paid for those three of the five sessions of the current 'Rising with the Tide' management training course which will take place in 2014/15.

	31 March 2014
	£
Deferred Income	
Deferred income at 1 April 2013	47,681
Resources deferred in the year	40,326
Amounts released from previous years	(47,681)
Deferred income at 31 March 2014	<u>40,326</u>

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	31 March 2014 Total	31 March 2013 Total
	£	£	£	£
Fixed assets	265	-	265	850
Current assets	178,753	-	178,753	294,439
Current liabilities	(93,191)	-	(93,191)	(111,865)
	<u>85,827</u>	<u>-</u>	<u>85,827</u>	<u>183,424</u>

18 MOVEMENTS IN FUNDS

The UK Association for Music Education – Music Mark

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

	At 1 April 2013 £	Incoming Resources £	Resources Expended £	Transfers Between Funds £	At 31 March 2014 £
UNRESTRICTED FUNDS					
General fund	123,300	251,660	(322,181)	33,048	85,827
RESTRICTED FUNDS					
Pearson grant	-	8,000	(8,000)	-	-
Other funds	60,124	-	(27,076)	(33,048)	-
	<u>183,424</u>	<u>259,660</u>	<u>(357,257)</u>	<u>-</u>	<u>85,827</u>

Pearson grant funding was received in order to fund expenditure incurred to help the development of the music teaching programme.

Other restricted funds represent accumulated interest income earned by Music Mark, as the former FMS, from holding DfE Music Education grants prior to distribution.

During the year, Music Mark utilised other restricted funds for the re-organisation costs of the former FMS, £5,686 (2013: £33,048) and for other expenditure on support for Music Services members. This expenditure included net losses on a symposium held during the year of £1,715 (2013: nil) and on the Charity's publications activity of £15,481 (2013: nil).

The transfer between other restricted and unrestricted funds represents the re-organisation costs incurred during the previous year.

19 CASH FLOWS

	31 March 2014 £	31 March 2013 £
a RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Operating (deficit)/surplus	(97,597)	18,632
Depreciation	585	756
Interest received	(180)	(18,616)
Decrease/(Increase) in debtors and prepayments	135,821	(92,443)
(Decrease) in creditors, accruals and deferred income	(20,385)	(24,378)
Net cash flow from operating activities	<u>18,244</u>	<u>(116,049)</u>

The UK Association for Music Education – Music Mark

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

19 CASH FLOWS (continued)

b NET MOVEMENT IN CASH FOR THE YEAR

	At 1 April 2013 £	Cashflows £	At 31 March 2014 £
Cash at bank and in hand	<u>107,241</u>	<u>18,424</u>	<u>125,665</u>

20 RELATED PARTY TRANSACTIONS

Five Trustees; Caroline Baxendale, Graham Bland, Tony Mealings, Graeme Smith and Nigel Taylor, were employed during the year by local authority Music Services that paid membership fees. These were individually not of a material value to the Music Services or to the Charity.

One Trustee, Tim Sharp, is the Chief Executive of 'Make Some Noise', a registered charity and Music Education hub partner to the Charity. The fees paid were not of material value to either party.