

Company no. 8310735  
Charity no. 1150174

**Barnet Education Arts Trust**  
**Report and Audited Financial Statements**  
**31 March 2019**

## Barnet Education Arts Trust

### Reference and administrative details

For the year ended 31 March 2019

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<b>Company number</b>	8310735
<b>Charity number</b>	1150174
<b>Registered office and operational address</b>	Barnet Music Hub Dollis Junior School Pursley Road London NW7 2BU
<b>Trustees</b>	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:  Martin Baker Flo Armstrong Jacqueline Boyle Tim Clark Colin Dowland Philip Elgar Kalwant Grewal Neil Marlow Helen Morrison Mary Musker Patrick Richmond Geoffrey Thompson Peter White  Chair Vice Chair, resigned 10 September 2018  appointed 10 December 2018 appointed 18 March 2019 appointed 18 March 2019  appointed 25 June 2018
<b>Chief executive officer</b>	Sharon Broughall Lynn Holman-Fox  appointed December 2018 retired December 2018
<b>Company secretary</b>	Smiljana Kadelburg
<b>Bankers</b>	The Co-operative Bank 80 Cornhill London EC3V 3NJ ME19 4JQ
<b>Auditors</b>	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD
<b>Solicitors</b>	Vincent, French and Browne Solicitors Rugby Chambers 2 Rugby Street London WC1N 3QU

## **Barnet Education Arts Trust**

### **Report of the trustees**

#### **For the year ended 31 March 2019**

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The trustees present their report and the audited financial statements for the year ended 31 March 2019.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2015).

### **Structure, governance and management**

#### **Legal status, date of incorporation and date of charity registration**

This charitable company limited by guarantee was incorporated on 28 November 2012. Charitable registration was completed on 13 December 2012.

**The governing document** is the articles of association agreed on 28 November 2012.

Trustees are appointed and recruited by the board by advertisement and interview. Upon selection they are required to complete a satisfactory DBS check. At present there are two Local Authority trustees (to represent the needs of the local community), one Primary School Head Teacher, one Secondary School Head Teacher, one ex-Head Teacher, one ex-schools inspector, three parents, and an ex-Director of Children's Services.

**Trustees** are inducted at their first meeting and then mentored by existing trustees at committee meetings.

#### **Organisational structure**

The CEO is responsible for the day to day running of the organisation and line manages a group of three deputies, the company secretary and three administrative staff. There are a further 94 teaching staff and line management responsibilities for them are shared among the senior staff.

**Strategic decisions** are made by the board of trustees as to the direction of the work carried out by BEAT and the use of charitable funds. There is a chairman and a number of committees with differing membership to support the work of the CEO and the senior leadership team of the organisation. These committees will usually report back to the board before any decisions are taken.

The CEO will take decisions on a day to day basis and refer to the chairman when appropriate. There is a company secretary who is responsible for preparing the accounts and reporting to the trustees at quarterly meetings. Minutes are taken by a clerk from governor services in Barnet.

BEAT is a member of Music Mark, the federation supporting the work of music hubs.

#### **Partnerships**

There are a number of key partners at any one time. The most significant of these is with Arts Council England which monitors the work of all music hubs and releases the music education grant to them on receipt of any required data and reporting.

Music partners in 2018-2019 have included the English Pocket Opera Company, The Voices Foundation, Charanga, the Associated Board of the Royal Schools of Music, The London Youth Choir, Open Orchestra and Out of The Ark.

## **Barnet Education Arts Trust**

### **Report of the trustees**

#### **For the year ended 31 March 2019**

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BEAT has strong partnerships with schools and works with and in nearly all schools in the London Borough of Barnet.

#### **Pay policy**

The pay of all senior and teaching staff mirrors Teachers' Pay and Conditions Document. Administrative staff are given the same percentage pay rises as teaching staff. The CEO pay point is decided by trustees at performance management meetings and falls into a seven point scale on the leadership scale for Head Teachers and senior leaders in schools. Other senior managers' pay is decided by the CEO. Their pay will always fall within a range of leadership scale pay points at least 5 points apart from the CEO pay. The pay policy has recently been reviewed by the board of trustees.

#### **Objectives and activities**

##### **BEAT's aims and objectives are:**

- to advance education by promotion of the arts for the benefit of the public of Barnet and elsewhere; and
- to help young people but not exclusively through creative activities, so as to develop their capabilities that they may grow to full maturity as individuals and members of society.

At present BEAT provides opportunities in music education for all young people in Barnet. This includes providing musicians and teachers to work with young people in schools and elsewhere. This includes providing lessons, performance opportunities, workshops and ensembles for these young people to play in. The musicians and teachers provided are also offered training opportunities to develop their own skills.

The public benefit is that young people will develop their social and cultural skills through participating in these activities. The families of these young people will also benefit from the cultural events they may attend that the young people are taking part in. The trustees are mindful of the importance of public benefit that the organisation brings and there is always an item on the board meetings agenda for the use of raised monies. The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives for the year.

The regular reporting to Arts Council England serves as a benchmark for previous years and provides BEAT with performance indicators to monitor performance.

The main charitable objectives and outcomes for 2018-2019 were:

- to provide a number of performance opportunities for young people. This included an Infant Music Festival (October 2018), and the delivery of a Schools Music Festival (June 2018);
- to enhance the skills of instrumental teachers working for BEAT. 34 school based teachers attended safeguarding training and 45 teachers attended training with the Associated Board of the Royal Schools of Music. 6 teachers attended training with Music8London;
- to offer whole class instrumental tuition for one term to all schools at KS2 for one year group at a subsidised cost– this addition of a nominal cost has not decreased the take up and has enabled us to continue to run the programme and enabled more children to access music tuition. In turn these whole class programmes encourage children to take up an instrument after the initial free period;

## **Barnet Education Arts Trust**

### **Report of the trustees**

#### **For the year ended 31 March 2019**

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- to offer scholarships to children provided by the London Music Fund (LMF). BEAT now has 6 Mayor Scholarships and those children make a significant contribution to the bands they play in. One student has just achieved Grade 8 Cello after his 4 year scholarship and one student was named LMF scholar of the month. BEAT also has 9 scholarships funded by the John Lyons charity;
- to provide a remission of instrumental tuition fees for children eligible for pupil premium attending school where BEAT provides the teachers. While these numbers are increasing as Barnet's demographic changes BEAT has continued to find funding for these children;
- to provide instrumental tuition free of charge to children in care attending school where BEAT provides the teachers;
- to provide free use of an instrument where available to those children in the above two categories;
- to maintain the outcomes of the Centralised music and music technology A levels. The examination results in August 2018 were again among the highest in the country; and
- to work strategically to support schools facing rapid demographic change with appropriate musical programmes.

#### **How we achieved our objectives:**

We wrote to schools inviting participation in the Infant Music Festival.

We wrote to schools in November 2017 inviting them to participate in the Schools Music Festival at the Arts Depot in June 2018 – 71 schools signed up for this. We also offered them the opportunity to work with one of our vocal specialists to support the learning of the songs.

A level music teachers have attended CPD organised by BEAT at our A Level Centre at Woodhouse College in January 2019. 20 local A level and secondary music teachers attended.

Remission of instrumental lesson fees, free attendance at music centre and free use of an instrument is available to all students having lessons with BEAT teachers. Free lessons, free attendance at music centre and free use of an instrument is available to children in care attending school in Barnet and having lessons with BEAT teachers.

Parent volunteers help out at Music Centres each Saturday morning – on a rota basis there are 19 volunteers each week, 30 weeks of the year, 3 hours each week. These volunteers run tuck shops and music and accessory shops at the three centres.

#### **Goals for 2018-2019 and beyond**

- to enable children from any family to access music tuition – BEAT will continue to fundraise to secure monies to provide these opportunities. BEAT will ensure that all income generating activities will aim for full cost recovery in order that charitable funds will go to the activities that they are raised for. A member of the staff now has the fundraising as an additional responsibility;
- to continue to support standards and delivery of music education programmes in Barnet schools;
- to regularly monitor the numbers of children attending bands, choirs and orchestras;
- to provide performance opportunities for children in all schools;
- to secure adequate reserves;
- to increase the range of instruments on offer for whole class tuition;
- to work with Open All Orchestras to develop a music technology based programme for PLMD children; and
- to further develop the fundraising strategy for BEAT.

## **Barnet Education Arts Trust**

### **Report of the trustees**

#### **For the year ended 31 March 2019**

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#### **Achievements and performance**

Some of the highlights of our achievements were:

- 71 schools took part in the last Music Festival at the Arts Depot in June 2018;
- 49 schools took part in the Infant Music Festival in October 2019;
- 42 schools took part in whole class tuition programmes this year;
- 7 children in care are in receipt of free instrumental tuition;
- 213 children eligible for pupil premium have received remission of fees; and
- A level music and music technology results have this year been among the highest in the country the results for Summer 2018 showed that the students that we teach gained 27% grades A\*-B passes for A level music and 33% grades A\*-B passes for A level music Technology, 70% of all the students we teach gaining A-C.

#### **Fundraising**

The Charities Act (Protection and Social Investment) 2016 came into effect in November 2016. It states new requirements for annual statements about fundraising and these are covered below:

- BEAT has not employed a commercial organisation to fundraise. An existing employee has taken on the role of fundraiser;
- This employee has not subscribed to any scheme for standards or regulation. There has been no failure in regulation;
- The charity monitors the fundraising activities of the employee through regular meetings, e-mails and telephone discussions;
- There have been no complaints with regard to the fundraising activities of BEAT; and
- BEAT does not actively pursue donors for donations – all are voluntary.

The main fundraising activities during 2018-2019 were for:

- those children whose families are unable to meet the cost of learning to play an instrument;
- funding the SEN orchestra development;
- funding the next Royal Albert Hall event (date to be confirmed) in 2020; and
- computers for A level.

Fundraising activities for 2018-2019 have included the following:

- The Friends of the Barnet Schools Music Centres, £6,737;
- Commission from Amazon, Virgin, Allianz, FBFundraiser, Easy Funding, Giving Machine, £1,333;
- End of term concerts, £5,505;
- Mayor's concert and other outside performances, £650;
- Friern Barnet Educational Trust (computers for A level), £5,000;
- Bequest from LD, £12,750;
- Donations from individuals, £374; and
- Waitrose, £703.

#### **Financial review**

##### **Reserves policy**

The Reserves Policy states that the BEAT reserves should be between 10% and 15% of total expenditure. This would represent a sum between £200K and £300K. In order to achieve this BEAT will aim to set aside £20,000 each year towards a reserve fund.

In addition to this Reserves Policy it has been necessary to deposit funds (£78,437), into a deposit account as a guarantee for teachers' pensions. Without this amount the Teachers' Pensions would not allow BEAT teachers to remain in the Teachers' Pension Scheme.

## **Barnet Education Arts Trust**

### **Report of the trustees**

#### **For the year ended 31 March 2019**

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##### **Main sources of funding**

The main source of funds is from charging parents and schools for lessons (72% of the total turnover). 26% of the total turnover comes from the Music Education Grant from Arts Council England (on behalf of the Department for Education).

##### **Expenditure**

84% of expenditure has been spent on delivering music tuition, performances or rehearsals – this is identified in staff costs.

##### **Future aims**

Fundraising and collection from donations at present has been agreed by the trustees to support our Royal Albert Hall 2020 Beat the World gala concert. We continue to seek future funding for our Open Orchestra project and support of children in receipt of Pupil Premium.

##### **Funds held as custodian trustee**

None.

##### **Risk statement**

###### **Identified risks**

1. Insufficient numbers of trustees willing to be members of the board.

Risk level - Low

This is a popular organisation and the articles of association provide that all trustees will remain in post for sufficient time to ensure that not all will resign from post at the same time.

2. Lack of appropriate knowledge / expertise in board members.

Risk level - Medium

The make up of the board ensures that sufficient trustees are appointed with knowledge of the music education and arts sector. There is a vacancy at present for a trustee with financial background – the board are actively trying to recruit such a member.

3. Financial risk caused by the growth of the school population and the subsequent increase in demand for remission of fees and free whole class tuition.

Risk level - Medium

There is an increase in grant this year from the Arts Council which will cover the increase in demand. The CEO and Company Secretary will both monitor on a monthly basis the increase in demand and any subsequent financial implications and will take measures to reduce this if necessary. These could include limiting the number of available remissions, asking schools to contribute to these remissions and also asking schools to contribute to the cost of the whole class instrumental tuition

4. The Music Education Grant not continuing beyond March 2020.

Risk level - High

The impact of this is that BEAT would not be able to sustain the present level of activity which would have implications on staffing and the musical offer to young people.

## **Barnet Education Arts Trust**

### **Report of the trustees**

#### **For the year ended 31 March 2019**

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5. The London Borough of Barnet not extending the guarantee for the Local Government Pension Scheme (LGPS) Deficit.

Risk level – High

When employees from the London Borough of Barnet were TUPE'd across to BEAT there were two part time employees in the LGPS. One has since retired and the second, who remains in the scheme, is not due to retire for another 17 years. Last year the actuary from the London Borough of Barnet assessed the deficit as at least £49,000. The London Borough of Barnet has agreed to extend the guarantee on the deficit but it is likely that when the second employee retires there could be a deficit payable of at least £49,000 which will need to be paid from the reserves. We are currently in discussion with the London Borough of Barnet to increase the level of employer contributions to offset the deficit.

#### **Statement of responsibilities of the trustees**

The trustees (who are also directors of the charity 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, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 charity and of the income and expenditure of the charity for that period. In preparing those financial statements the trustees are required to:

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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

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

## **Barnet Education Arts Trust**

### **Report of the trustees**

#### **For the year ended 31 March 2019**

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Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total of such guarantees at 31 March 2019 was £120. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

#### **Auditors**

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

Approved by the trustees on 24 June 2019 and signed on their behalf by

Martin Baker - Chair

## **Independent auditors' report**

**To the members of**

### **Barnet Education Arts Trust**

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#### **Opinion**

We have audited the financial statements of Barnet Education Arts Trust (the 'charity') for the year ended 31 March 2019 which comprise the statement of financial activities, balance sheet and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

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

## **Independent auditors' report**

**To the members of**

### **Barnet Education Arts Trust**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### **Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## **Independent auditors' report**

**To the members of**

### **Barnet Education Arts Trust**

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#### **Our responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the charity'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 charity'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 charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Date: 24 June 2019

**Rob Wilson FCA**  
**(Senior Statutory Auditor)**

For and on behalf of:

**GODFREY WILSON LIMITED**

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

**Barnet Education Arts Trust****Statement of financial activities** *(incorporating an income and expenditure account)***For the year ended 31 March 2019**

	Note	Restricted £	Unrestricted £	2019 Total £	2018 Total £
<b>Income from:</b>					
Donations and legacies	3	-	33,053	<b>33,053</b>	14,816
Charitable activities	4	522,730	1,447,523	<b>1,970,253</b>	1,946,400
Investments		-	25	<b>25</b>	39
<b>Total income</b>		<u>522,730</u>	<u>1,480,601</u>	<u><b>2,003,331</b></u>	<u>1,961,255</u>
<b>Expenditure on:</b>					
Raising funds		-	12,326	<b>12,326</b>	15,264
Charitable activities		<u>522,730</u>	<u>1,457,300</u>	<u><b>1,980,030</b></u>	<u>1,951,576</u>
<b>Total expenditure</b>	6	<u>522,730</u>	<u>1,469,626</u>	<u><b>1,992,356</b></u>	<u>1,966,840</u>
<b>Net income / (expenditure) and net movement in funds</b>	7	-	10,975	<b>10,975</b>	(5,585)
<b>Reconciliation of funds:</b>					
Total funds brought forward		-	<u>127,941</u>	<u><b>127,941</b></u>	<u>133,526</u>
<b>Total funds carried forward</b>		<u>-</u>	<u><u>138,916</u></u>	<u><u><b>138,916</b></u></u>	<u><u>127,941</u></u>

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

## Barnet Education Arts Trust

### Balance sheet

As at 31 March 2019

	Note	£	2019 £	2018 £
<b>Fixed assets</b>				
Tangible assets	10		<b>8,342</b>	9,479
<b>Current assets</b>				
Debtors	11	<b>71,432</b>		74,288
Cash at bank and in hand		<b><u>373,292</u></b>		<u>336,673</u>
		<b>444,724</b>		410,961
<b>Liabilities</b>				
Creditors: amounts falling due within 1 year	12	<b><u>(314,150)</u></b>		<u>(292,499)</u>
<b>Net current assets</b>			<b><u>130,574</u></b>	<u>118,462</u>
<b>Net assets</b>	14		<b><u><u>138,916</u></u></b>	<u><u>127,941</u></u>
<b>Funds</b>	15			
Restricted funds			-	-
Unrestricted funds:				
Designated funds			<b>78,437</b>	78,437
General funds			<b><u>60,479</u></b>	<u>49,504</u>
<b>Total charity funds</b>			<b><u><u>138,916</u></u></b>	<u><u>127,941</u></u>

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

Approved by the trustees on 24 June 2019 and signed on their behalf by

Martin Baker - Chair

**Barnet Education Arts Trust**

**Statement of cash flows**

**For the year ended 31 March 2019**

	<b>2019</b>	2018
	£	£
<b>Cash used in operating activities:</b>		
<b>Net movement in funds</b>	<b>10,975</b>	(5,585)
Adjustments for:		
Depreciation charges	<b>6,365</b>	5,485
Interest received	<b>(25)</b>	(39)
Decrease / (increase) in debtors	<b>2,856</b>	(12,131)
Increase / (decrease) in creditors	<b>21,651</b>	6,999
	<u><b>41,822</b></u>	<u>(5,271)</u>
<b>Net cash provided by operating activities</b>		
<b>Cash flows from investing activities:</b>		
Interest received	<b>25</b>	39
Purchase of tangible fixed assets	<b>(5,228)</b>	(4,965)
	<u><b>(5,203)</b></u>	<u>(4,926)</u>
<b>Net cash used in investing activities</b>		
<b>Increase in cash and cash equivalents in the year</b>	<b>36,619</b>	(10,197)
Cash and cash equivalents at the beginning of the year	<u><b>336,673</b></u>	<u>346,870</u>
<b>Cash and cash equivalents at the end of the year</b>	<u><b>373,292</b></u>	<u>336,673</u>

## **Barnet Education Arts Trust**

### **Notes to the financial statements**

**For the year ended 31 March 2019**

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#### **1. Accounting policies**

##### **a) Basis of preparation**

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

Barnet Education Arts Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

##### **b) Going concern basis of accounting**

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

##### **c) Income**

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

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

Income received in advance of provision of music lessons, instrument hire or for future events is deferred until criteria for income recognition are met.

##### **d) Interest receivable**

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

##### **e) Funds accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

## Barnet Education Arts Trust

### Notes to the financial statements

#### For the year ended 31 March 2019

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##### **f) Expenditure and irrecoverable VAT**

Expenditure and recognised once there is a legal or constructive obligation to make a payment to a third party, it is probably that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

##### **g) Allocation of support and governance costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated in full to expenditure on charitable activities which is deemed to be reflective of the activities of the charity in this period.

##### **h) Tangible fixed assets**

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

All fixed assets	4 years
Assets used in a restricted project	Over the life of the funding of the project

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

##### **i) Debtors**

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

##### **j) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

##### **k) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

##### **l) Defined contribution pension scheme**

The charitable company operates a defined contribution pension scheme for 2 of its employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. Pension costs charged in the financial statements represent the contributions payable by the charitable company during the year.

## Barnet Education Arts Trust

### Notes to the financial statements

For the year ended 31 March 2019

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#### m) Defined benefit pension schemes treated as defined contribution pension schemes

##### *Teachers' Pension Scheme*

The charity makes pension contributions to the Teachers Pension Scheme which is a contracted out, unfunded, defined benefit occupational pension scheme operated by the Department for Education. Contributions to the scheme by employers and employees are set at rates determined by the Secretary of State. The scheme's payments are partially funded by the employer and employee contributions, the balance of funding being provided by Parliament through the annual Supply Estimates process. The scheme's administrative expenses are borne by the Department for Education.

The scheme has in excess of 3,700 participating employers and consequently the charity is not able to identify its share of the underlying financial position and performance of the scheme with sufficient reliability for accounting purposes. For the purposes of these financial statements, it is therefore accounted for on the same basis as a defined contribution scheme.

##### *Local Government Pension Scheme*

Barnet Education Arts Trust (BEAT) operates the services previously offered by Barnet Music Service, which was part of the local authority of The London Borough of Barnet. The assets and liabilities of the Barnet Music Service were transferred to BEAT in February 2013, including all staff of the service and responsibility for their pension schemes.

BEAT now participates in the Local Government Pension Scheme (LGPS), the scheme manager/administering authority being the London Borough of Barnet. The charity makes pension contributions for 1 employee who was previously employed by the Barnet Music Service. The scheme is closed to new members. This scheme is a funded defined benefit final salary scheme, meaning that the charity and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The charity has not recognised any provision with respect to this scheme as any deficit in respect of BEAT's employee and employer contributions has been guaranteed by the London Borough of Barnet up to 30 November 2021. A bond has been provided by The London Borough of Barnet of up to £48,000, which is the amount actuarially assessed in February 2019 to meet the shortfall. For the purposes of these financial statements, the scheme is therefore accounted for on the same basis as a defined contribution scheme.

**Barnet Education Arts Trust**

**Notes to the financial statements**

**For the year ended 31 March 2019**

**n) Accounting estimates and key judgements**

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

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

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

**Depreciation**

As described in note 1h to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

**2. Prior period comparatives: statement of financial activities**

	Restricted £	Unrestricted £	2018 Total £
<b>Income from:</b>			
Donations and legacies	-	14,816	<b>14,816</b>
Charitable activities	524,429	1,421,971	<b>1,946,400</b>
Investments	-	39	<b>39</b>
<b>Total income</b>	<b>524,429</b>	<b>1,436,826</b>	<b>1,961,255</b>
<b>Expenditure on:</b>			
Raising funds	-	15,264	<b>15,264</b>
Charitable activities	524,429	1,427,147	<b>1,951,576</b>
<b>Total expenditure</b>	<b>524,429</b>	<b>1,442,411</b>	<b>1,966,840</b>
<b>Net income / (expenditure) and net movement in funds</b>	<b>-</b>	<b>(5,585)</b>	<b>(5,585)</b>

**3. Income from donations and legacies**

	Restricted £	Unrestricted £	2019 Total £	2018 Total £
Donations	-	33,053	<b>33,053</b>	14,816

All income from donations and legacies in the prior year was unrestricted.

**Barnet Education Arts Trust**

**Notes to the financial statements**

**For the year ended 31 March 2019**

**4. Income from charitable activities**

	Restricted £	Unrestricted £	<b>2019 Total £</b>
<b>Grants and service level agreements</b>			
Arts Council England - Music Education Hubs	507,476	-	<b>507,476</b>
John Lyon's Charity	10,000	-	<b>10,000</b>
Mayor of London - Scholarships	5,254	-	<b>5,254</b>
	<u>522,730</u>	<u>-</u>	<u><b>522,730</b></u>
Total grants and service level agreements			
<b>Course contributions and other income</b>			
Schools income	-	665,883	<b>665,883</b>
Individual instrument tuition	-	550,709	<b>550,709</b>
Music centres / activities	-	102,015	<b>102,015</b>
A level music	-	64,041	<b>64,041</b>
Events	-	52,582	<b>52,582</b>
Instrument hire	-	12,293	<b>12,293</b>
	<u>-</u>	<u>1,447,523</u>	<u><b>1,447,523</b></u>
Total course contributions and other income			
<b>Total income from charitable activities</b>	<u><u>522,730</u></u>	<u><u>1,447,523</u></u>	<u><u><b>1,970,253</b></u></u>
<b>Prior period comparative:</b>			
	Restricted £	Unrestricted £	<b>2018 Total £</b>
<b>Grants and service level agreements</b>			
Arts Council England - Music Education Hubs	508,181	-	<b>508,181</b>
John Lyon's Charity	10,000	-	<b>10,000</b>
Mayor of London - Scholarships	5,448	-	<b>5,448</b>
One Voice Connects	800	-	<b>800</b>
	<u>524,429</u>	<u>-</u>	<u><b>524,429</b></u>
Total grants and service level agreements			
<b>Course contributions and other income</b>			
Schools income	-	649,048	<b>649,048</b>
Individual instrument tuition	-	501,408	<b>501,408</b>
Music centres / activities	-	116,227	<b>116,227</b>
A level music	-	73,005	<b>73,005</b>
Events	-	64,678	<b>64,678</b>
Instrument hire	-	17,605	<b>17,605</b>
	<u>-</u>	<u>1,421,971</u>	<u><b>1,421,971</b></u>
Total course contributions and other income			
<b>Total income from charitable activities</b>	<u><u>524,429</u></u>	<u><u>1,421,971</u></u>	<u><u><b>1,946,400</b></u></u>

## Barnet Education Arts Trust

### Notes to the financial statements

#### For the year ended 31 March 2019

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##### 5. Government grants

The charitable company receives government grants, defined as funding from Arts Council England, to fund charitable activities. The total value of such grants in the period ending 31 March 2019 was £507,476 (2018: £508,181). There are no unfulfilled conditions or contingencies attaching to these grants in 2018/19.

##### 6. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2019 Total £
<b>Music lessons and events</b>				
Instruments and music	-	10,747	-	<b>10,747</b>
Music teachers (note 8)	12,326	1,563,212	-	<b>1,575,538</b>
Teacher training	-	648	-	<b>648</b>
External trainers and musicians	-	28,095	-	<b>28,095</b>
Educational partners	-	7,244	-	<b>7,244</b>
Events	-	37,506	-	<b>37,506</b>
Venue hire	-	24,024	-	<b>24,024</b>
Subscriptions	-	1,325	-	<b>1,325</b>
<b>Administrative costs</b>				
Printing, postage and stationery	-	-	5,333	<b>5,333</b>
Telecoms and computer	-	-	12,174	<b>12,174</b>
Equipment hire	-	-	1,368	<b>1,368</b>
Premises expenses	-	-	35,633	<b>35,633</b>
Insurance	-	-	13,580	<b>13,580</b>
Sundry	-	-	413	<b>413</b>
Bank charges	-	-	11,333	<b>11,333</b>
Payroll and human resources	-	-	10,230	<b>10,230</b>
Training and conferences	-	-	297	<b>297</b>
Staff (note 8)	-	-	196,705	<b>196,705</b>
Professional fees	-	-	13,798	<b>13,798</b>
Depreciation	-	-	6,365	<b>6,365</b>
<b>Sub-total</b>	<b>12,326</b>	<b>1,672,801</b>	<b>307,229</b>	<b>1,992,356</b>
Allocation of support and governance costs	-	307,229	(307,229)	-
<b>Total expenditure</b>	<b>12,326</b>	<b>1,980,030</b>	<b>-</b>	<b>1,992,356</b>

Total governance costs were £12,358 (2018: £8,184)

**Barnet Education Arts Trust**

**Notes to the financial statements**

**For the year ended 31 March 2019**

**6. Total expenditure (continued)**

**Prior period comparative:**

	Raising funds £	Charitable activities £	Support and governance costs £	<b>2018 Total £</b>
<b>Music lessons and events</b>				
Instruments and music	-	13,775	-	<b>13,775</b>
Music teachers (note 8)	15,264	1,522,241	-	<b>1,537,505</b>
Teacher training	-	4,653	-	<b>4,653</b>
External trainers and musicians	-	29,960	-	<b>29,960</b>
Events	-	37,837	-	<b>37,837</b>
Venue hire	-	27,698	-	<b>27,698</b>
Subscriptions	-	1,153	-	<b>1,153</b>
<b>Administrative costs</b>				
Printing, postage and stationery	-	-	5,517	<b>5,517</b>
Telecoms and computer	-	-	12,198	<b>12,198</b>
Equipment hire	-	-	3,162	<b>3,162</b>
Premises expenses	-	-	29,581	<b>29,581</b>
Insurance	-	-	13,046	<b>13,046</b>
Sundry	-	-	131	<b>131</b>
Bank charges	-	-	10,994	<b>10,994</b>
Payroll and human resources	-	-	11,512	<b>11,512</b>
Training and conferences	-	-	2,887	<b>2,887</b>
Staff (note 8)	-	-	208,052	<b>208,052</b>
Professional fees	-	-	11,694	<b>11,694</b>
Depreciation	-	-	5,485	<b>5,485</b>
<b>Sub-total</b>	<b>15,264</b>	<b>1,637,317</b>	<b>314,259</b>	<b>1,966,840</b>
Allocation of support and governance costs	-	314,259	(314,259)	-
<b>Total expenditure</b>	<b>15,264</b>	<b>1,951,576</b>	<b>-</b>	<b>1,966,840</b>

## Barnet Education Arts Trust

### Notes to the financial statements

#### For the year ended 31 March 2019

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#### 7. Net movement in funds

This is stated after charging:

	2019 £	2018 £
Depreciation	6,365	5,485
Trustees' reimbursed expenses	Nil	Nil
Trustees' remuneration	Nil	Nil
Auditors' remuneration:		
▪ Statutory audit (including VAT)	8,040	7,800
▪ Other services	840	810
Operating lease rentals	<u>20,253</u>	<u>22,117</u>

#### 8. Staff costs and numbers

Staff costs were as follows:

	2019 £	2018 £
Teachers wages	1,131,304	1,082,057
Teachers social security	74,156	65,976
Teachers pension	167,772	153,634
Self employed teachers	<u>202,306</u>	<u>235,838</u>
	1,575,538	1,537,505
Staff wages	158,644	167,705
Staff social security	15,082	15,990
Staff pension	<u>22,979</u>	<u>24,357</u>
	<u>1,772,243</u>	<u>1,745,557</u>

One employee earned received employee benefits (excluding employer pension costs) of between £60,000 and £70,000 during the year (2018 - one).

The key management personnel of the charity comprise the Chief Executive Officer, the three Directors of Standards and Excellence and the Head of A-Level. The total employee benefits of the key management personnel of the charity were £206,793 (2018: £275,647).

	2019 No.	2018 No.
Average head count during the year	<u>94</u>	<u>100</u>

## Barnet Education Arts Trust

### Notes to the financial statements

#### For the year ended 31 March 2019

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#### 9. Taxation

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

#### 10. Tangible fixed assets

	Musical instruments £	Computer equipment £	Total £
<b>Cost</b>			
At 1 April 2018	22,451	9,498	<b>31,949</b>
Additions in year	<u>2,880</u>	<u>2,348</u>	<u><b>5,228</b></u>
At 31 March 2019	<u>25,331</u>	<u>11,846</u>	<u><b>37,177</b></u>
<b>Depreciation</b>			
At 1 April 2018	14,231	8,239	<b>22,470</b>
Charge for the year	<u>4,837</u>	<u>1,528</u>	<u><b>6,365</b></u>
At 31 March 2019	<u>19,068</u>	<u>9,767</u>	<u><b>28,835</b></u>
<b>Net book value At 31 March 2019</b>	<u><b>6,263</b></u>	<u><b>2,079</b></u>	<u><b>8,342</b></u>
At 31 March 2018	<u>8,220</u>	<u>1,259</u>	<u>9,479</u>

#### 11. Debtors

	2019 £	2018 £
Trade debtors	<b>46,736</b>	50,854
Prepayments	<u><b>24,696</b></u>	<u>23,434</u>
	<u><b>71,432</b></u>	<u>74,288</u>

#### 12. Creditors : amounts due within 1 year

	2019 £	2018 £
Trade creditors	<b>22,958</b>	28,035
Accruals	<b>24,870</b>	25,587
PAYE and social security	<b>25,113</b>	26,130
Deferred income (note 13)	<b>240,759</b>	212,747
Other creditors	<u><b>450</b></u>	<u>-</u>
	<u><b>314,150</b></u>	<u>292,499</u>

**Barnet Education Arts Trust**

**Notes to the financial statements**

**For the year ended 31 March 2019**

**13. Deferred income**

	<b>2019</b>	2018
	£	£
At 1 April 2018	<b>212,747</b>	205,310
Amounts deferred during the year	<b>240,759</b>	212,747
Amounts released during the year	<b>(212,747)</b>	(205,310)
At 31 March 2019	<b><u>240,759</u></b>	<b><u>212,747</u></b>

Deferred income relates to music lessons, instrument hire and events income which has been invoiced for in advance.

**14. Analysis of net assets between funds**

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	8,342	<b>8,342</b>
Current assets	-	78,437	366,287	<b>444,724</b>
Current liabilities	-	-	(314,150)	<b>(314,150)</b>
<b>Net assets at 31 March 2019</b>	<b><u>-</u></b>	<b><u>78,437</u></b>	<b><u>60,479</u></b>	<b><u>138,916</u></b>
<b>Prior period comparative</b>				
	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	9,479	<b>9,479</b>
Current assets	-	78,437	332,524	<b>410,961</b>
Current liabilities	-	-	(292,499)	<b>(292,499)</b>
<b>Net assets at 31 March 2018</b>	<b><u>-</u></b>	<b><u>78,437</u></b>	<b><u>49,504</u></b>	<b><u>127,941</u></b>

## Barnet Education Arts Trust

### Notes to the financial statements

For the year ended 31 March 2019

#### 15. Movements in funds

	At 1 April 2018 £	Income £	Expenditure £	At 31 March 2019 £
<b>Restricted funds</b>				
Arts Council Funding - Music Education Hubs	-	507,476	(507,476)	-
Mayor of London - Scholarships	-	5,254	(5,254)	-
John Lyons Charity	-	10,000	(10,000)	-
<b>Total restricted funds</b>	-	<b>522,730</b>	<b>(522,730)</b>	-
<b>Unrestricted funds</b>				
<i>Designated funds</i>				
Teachers' Pensions	78,437	-	-	<b>78,437</b>
<i>Total designated funds</i>	78,437	-	-	<b>78,437</b>
General funds	49,504	1,480,601	(1,469,626)	<b>60,479</b>
<b>Total unrestricted funds</b>	<b>127,941</b>	<b>1,480,601</b>	<b>(1,469,626)</b>	<b>138,916</b>
<b>Total funds</b>	<b>127,941</b>	<b>2,003,331</b>	<b>(1,992,356)</b>	<b>138,916</b>

#### Purposes of restricted funds

##### *Arts Council Funding - Music Education Hubs*

The Music Education grant is awarded following a written submission to the Arts Council as to the activities which will be provided. This written submission can be found on the Arts Council website - all activities undertaken are reported directly to the Arts Council on a quarterly basis. The purpose of the grant is to provide music education activities to young people attending school in or living in the London Borough of Barnet.

##### *Mayor of London - Scholarships*

This grant is to provide music scholarships for named children agreed by the office of the Mayor's fund for Music Education. The scholarships provide for the cost of music tuition on one instrument and ensemble provision for each child named.

##### *John Lyons Charity*

This grant is to provide music scholarships, providing for the cost of music tuition on one instrument and ensemble provision for each child named.

#### Purposes of designated funds

##### *Teachers' Pensions*

This designated fund represents funds placed on deposit as a guarantee for teachers' pensions. Without this amount the Teachers' Pensions organisation would not allow BEAT teachers to remain in the Teachers' Pension Scheme.

**Barnet Education Arts Trust**

**Notes to the financial statements**

**For the year ended 31 March 2019**

**15. Movements in funds (continued)**

Prior period comparatives	At 1 April 2017 £	Income £	Expenditure £	At 31 March 2018 £
<b>Restricted funds</b>				
Arts Council Funding - Music Education Hubs	-	508,181	(508,181)	-
Mayor of London - Scholarships	-	5,448	(5,448)	-
John Lyons Charity	-	10,000	(10,000)	-
One Voice Connects	-	800	(800)	-
<b>Total restricted funds</b>	<b>-</b>	<b>524,429</b>	<b>(524,429)</b>	<b>-</b>
<b>Unrestricted funds</b>				
<i>Designated funds</i>				
Teachers' Pensions	78,437	-	-	78,437
<i>Total designated funds</i>	78,437	-	-	78,437
General funds	55,089	1,436,826	(1,442,411)	49,504
<b>Total unrestricted funds</b>	<b>133,526</b>	<b>1,436,826</b>	<b>(1,442,411)</b>	<b>127,941</b>
<b>Total funds</b>	<b>133,526</b>	<b>1,961,255</b>	<b>(1,966,840)</b>	<b>127,941</b>

**16. Financial instruments**

	2019 £	2018 £
Financial assets measured at amortised cost	420,028	387,527
Financial liabilities measured at amortised cost	(48,278)	(54,479)

Financial assets measured at amortised cost comprise cash and cash equivalents and trade debtors.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors.

**17. Operating lease rentals**

The charity had operating leases at the year end with total future minimum lease payments as follows:

	2019 £	2018 £
Amount falling due:		
Within 1 year	21,553	20,253
Within 1 - 5 years	33,997	33,455
	<b>55,550</b>	<b>53,708</b>

**Barnet Education Arts Trust**

**Notes to the financial statements**

**For the year ended 31 March 2019**

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**18. Related party transactions**

The trustees are not aware of any related transactions during the current or prior year.