

Company no. 08310735
Charity no. 1150174

Barnet Education Arts Trust
Report and Audited Financial Statements
31 March 2022

Barnet Education Arts Trust

Report of the trustees

For the year ended 31 March 2022

The trustees present their report and the audited financial statements for the year ended 31 March 2022.

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 2019).

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 ex schools' inspector, Secondary Head of Music, one ex-student, three local residents, 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 three directors and one manager, the company secretary and 4 administrative staff. There are a further 69 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.

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 2021 - 2022 have included the Live Music Now, Charanga, Creative Futures, Musical Futures, Brass Band England, Indonesian Gamelan and Puppetry and London Music Fund.

Barnet Education Arts Trust

Report of the trustees

For the year ended 31 March 2022

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 the 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.

Our strategic objectives

After the last 2 years of uncertainty and financial impact on the organisation brought on by the pandemic, BEAT has managed to retain staff, has a healthy financial reserves and is in an excellent financial position to deliver its key priorities in the coming year.

Our vision has remained in line with our previous 3 year strategic plan, to offer high quality music education to all young people in Barnet. We continue to strive for excellence and to become the preferred employer for local music education professionals and the preferred supplier of high quality music services to schools and the community. We achieve this by providing an excellent support and performance management programme to our staff and high quality learner experiences for our pupils.

This transition year has been aligned with the trust's immediate needs and highest priorities, with an initial focus on building participation rates and increasing staff hours.

Operational Plan 2021 – 2022

This one year plan focused entirely on:

- i) Restarting operations and getting BEAT staff back to full operation, and our pupils, families and schools fully engaged;
- ii) Move towards reducing the activities which are not adding sufficient value to the organisation at this time; and
- iii) How the value of mental health and well-being can be embedded across the activities of BEAT.

During these difficult times BEAT has continued to ensure that our vulnerable children do not miss out. BEAT continues to use core government funds to ensure we can implement our remissions policy for our pupils and families.

The main priorities for 2021 - 2022, in line with our Business Stabilisation plan, were:

Governance and management

The Board of Trustees have continued to meet frequently, to better keep abreast of key issues such as cashflow, staffing levels, the job retention scheme, changing government guidelines for schools and music making and teaching remotely. The finance sub-committee has met termly to keep the finances under regular review.

Barnet Education Arts Trust

Report of the trustees

For the year ended 31 March 2022

Trustees to:

- Have a shared, consistent and clear understanding of the current position;
- Support the CEO through regular meetings and introduction of sub-committees in areas of concern; and
- Identify ongoing risks and apply any necessary mitigations.

Management, senior management team to:

- Deliver a strong, consistent message to new and engaged audiences;
- Inform and update ACE throughout;
- Maintain ongoing engagement with schools and parents specifically to clarify their needs;
- Decide which services can continue to be provided, amended, delivered differently or suspended;
- Engage closely with the community, stakeholders and influencers - locally, regionally and nationally - to support and champion music education; and
- Introduce activities and strategies to maintain pupil engagement.

Workforce, retention of staff

It has remained a priority of BEAT to continue to retain staff jobs and BEAT has taken advantage of the continued government support package.

- Continue to maximise government support packages to protect employees' jobs;
- Support all employees through regular drop in sessions;
- Develop a recruitment programme throughout the summer term;
- Offer CPD to support new ways of working;
- Ensure all safeguarding and risk assessments are in place and adhered to;
- Provide a flexible approach to teachers working hours; and
- Provide mental health support where appropriate.

Programme of activity

We have aimed to promote a strong programme of activity which aimed to be innovative and flexible so we could keep music alive for our young people whilst meeting the ongoing challenges posed by the COVID-19 pandemic. Further details below provide a summary of what happened and key achievements.

The main charitable outcomes and achievements for 2021-2022 are outlined below. Over the course of the whole year we:

- Worked in partnership with 93 schools (2 independent schools) 87% of those in the area, on a significant number of core roles and with a further 9 schools on at least one of the hub roles;
- Delivered our Infant Music Festival with 44 schools participating;
- Delivered an online Barnet Schools Music Festival involving 24 primary and 5 secondary schools;
- Delivered 149 Whole Class projects took place in 64 schools, reaching 4,615 children;
- Continued to deliver, our 'Access for All' ensemble at Mapledown School, a secondary day school (11-19 years) catering for children and young people with Severe Learning Difficulties (SLD), Autism (ASC) and those with profound and multiple learning difficulties (PMLD) extending it to a further SEN school during the Spring term;
- Supported all Barnet schools in their delivery of curriculum with regular advice, network meetings, consultations and CPD; In 2021-2022, we have run a total of 3 network events and 9 CPD events - 59 staff from 46 primary, 1 private and 7 secondary schools have attended INSET or networking meetings;

Barnet Education Arts Trust

Report of the trustees

For the year ended 31 March 2022

- Re-opened our Academies. BEAT currently operates 33 ensembles on a weekly basis;
- Successfully ran our 'BEAT Virtual Orchestra' involving 52 students;
- Offered CPD opportunities for BEAT staff. Staff attended a series of live virtual training webinars/workshops delivered by Music Mark. Recordings of these were then uploaded to the BEAT staff area of the website;
- Offered SEN CPD opportunities both live and via recordings;
- Provided remission of instrumental tuition fees for children in care or eligible for pupil premium attending school where BEAT provides the teachers. 11 children in care are in receipt of free instrumental tuition and 251 children eligible for pupil premium have received remission of fees;
- Continued to provide 6 scholarships through the London Music fund and 4 bursaries through the John Lyon Charity. BEAT has continued to fund these scholarships once their allocated times has elapsed;
- Extended our offer to include Dj-ing. 3 schools are now delivering paired lessons;
- Obtained 100% pass marks in Music A level and Music Technology A level with grades above the national average in both subjects; and
- Formed new partnerships with Creative futures, Inspire Drumming, Musical Futures, Brass Band England and Indonesian Gamelan and Puppetry.

Public benefit

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.

Fundraising

Annual statements about fundraising

- 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 2021-2022 were for:

- Children whose families are unable to meet the cost of learning to play an instrument;
- Funding the SEN orchestra development; and
- Support for delivering out inclusion strategy.

Barnet Education Arts Trust

Report of the trustees

For the year ended 31 March 2022

Fundraising results for 2021-2022

Commission from Amazon, Virgin, Allianz	480
Belling Charitable	3,500
Barnet Virtual School	3,000
Tuck Shops and Concerts	4,727
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Total	11,707
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Financial review

Reserves policy

The reserves policy states that the BEAT reserves should be at 15% of total expenditure. This would represent £200K.

BEAT successfully applied for the government Culture Recovery Grant in 2020-21 and received a sum of £300,000 which has been used, at this stage, to boost the reserves.

It has been necessary to deposit a part of BEAT's reserves (£78,437), into a separate 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.

General unrestricted funds at 31 March 2022 stand at £517,661. This is in excess of the current policy.

Main sources of funding

The main source of funds this year came from Government grants (38.55%). These included Arts Council's Music Education grant (31.10% of turnover), Job Retention Scheme grant and Teachers' Pension Increase support grant (4.91% of turnover). BEAT's income from charging parents and schools for lessons is 60.53% of turnover this year.

Expenditure

77.27% of expenditure has been spent on maintaining Teachers' pay, delivering music tuition, performances or rehearsals – this is identified in direct costs.

Future aims

Barnet Education Arts Trust is committed to providing a flexible, professional service that offers value for money. No profit is made from the services we offer and all charges are based on the cost for delivery.

We will continue to work closely with schools in a variety of ways to ensure that the services we provide are the most appropriate to their needs and those of their children and young people.

Through our Schools Music Education Plan (SMEP) and core roles BEAT will focus on increasing the percentage of schools interacting with BEAT in at least one core role. Whole Class Ensemble Tuition (WCET) is now back at pre-pandemic levels and further plans will continue to develop and support progression routes into individual or small group tuition and our ensembles.

Barnet Education Arts Trust

Report of the trustees

For the year ended 31 March 2022

Our Academies are now up and running with a new progressive routes from nursery aged children through to BEAT's Flagship groups. BEAT's singing strategy is embedded in this offer and, together with a range of enrichment activities on Saturday mornings it offers a full and broad musical education for members. While many children have returned to the Music Academy, there are a number who have still not and we need to understand the reasons for this and to encourage those members to return. Increasing membership will be a high priority next year.

BEAT will continue to ensure that our vulnerable children do not miss out, using core government funds to ensure we can implement our remissions policy for our pupils and families. This year sees the introduction of a discretionary fund, to reach those families who may not meet the criteria for pupil premium fund but who've a specific and demonstrable financial need.

Two priorities have been identified, that of Equality, Diversity and Inclusion and Youth Voice, which BEAT will continue to develop and note as a key focus for 2022 - 2023. Targeted work will aim to reach underrepresented groups, work with organisation partners to reach new groups and improve understanding of inclusion practices and cultures. It is our ambition to embed Youth Voice thoroughly and authentically in to the Trust. We are aware shifting the current culture will take time, but BEAT is committed to working towards taking slow steady progress, over the next couple of years, by consulting, listening, respecting and empowering our young people.

Funds held as custodian trustee on behalf of others

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 makeup 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 a HR, company law or charity law 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 the remission of fees and free whole class tuition.

Risk level - medium

There is an increase in the 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 programme.

Barnet Education Arts Trust

Report of the trustees

For the year ended 31 March 2022

4. The Music Education Grant not continuing beyond March 2023.

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.

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 16 years. In 2018 the actuary from the London Borough of Barnet assessed the deficit as at least £40,000. The London Borough of Barnet issued a Bond Renewal Agreement on 2 March 2022 continuing to be a guarantor until 30 November 2024. The sum guaranteed is £48,000. There has been a further actuarial validation of the scheme increasing the liability to £78,000. 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.

Barnet Education Arts Trust

Report of the trustees

For the year ended 31 March 2022

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.

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 2022 was £100. 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 14 December 2022 and signed on their behalf by



Martin Baker - Chair

Independent auditors' report

To the members of

Barnet Education Arts Trust

Opinion

We have audited the financial statements of Barnet Education Arts Trust (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 2022 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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

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 have 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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Independent auditors' report

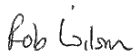
To the members of

Barnet Education Arts Trust

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. 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: 14 December 2022

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 2022**

	Note	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Income from:					
Donations and legacies	3	-	53,739	53,739	721,044
Charitable activities	4	601,880	1,005,425	1,607,305	1,236,349
Investments		-	12	12	331
Total income		<u>601,880</u>	<u>1,059,176</u>	<u>1,661,056</u>	<u>1,957,724</u>
Expenditure on:					
Raising funds		-	10,799	10,799	12,416
Charitable activities		<u>601,880</u>	<u>983,174</u>	<u>1,585,054</u>	<u>1,601,431</u>
Total expenditure	6	<u>601,880</u>	<u>993,973</u>	<u>1,595,853</u>	<u>1,613,847</u>
Net income and net movement in funds	7	-	65,203	65,203	343,877
Reconciliation of funds:					
Total funds brought forward		<u>12,961</u>	<u>530,895</u>	<u>543,856</u>	<u>199,979</u>
Total funds carried forward		<u><u>12,961</u></u>	<u><u>596,098</u></u>	<u><u>609,059</u></u>	<u><u>543,856</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 2022

	Note	£	2022 £	2021 £
Fixed assets				
Tangible assets	10		1,270	1,308
Current assets				
Debtors	11	139,939		91,612
Cash at bank and in hand		796,992		678,630
		936,931		770,242
Liabilities				
Creditors: amounts falling due within 1 year	12	(329,142)		(227,694)
Net current assets			607,789	542,548
Net assets	14		609,059	543,856
Funds	15			
Restricted funds			12,961	12,961
Unrestricted funds:				
Designated funds			78,437	78,437
General funds			517,661	452,458
Total charity funds			609,059	543,856

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 14 December 2022 and signed on their behalf by



Martin Baker - Chair

Barnet Education Arts Trust

Statement of cash flows

For the year ended 31 March 2022

	2022	2021
	£	£
Cash used in operating activities:		
Net movement in funds	65,203	343,877
Adjustments for:		
Fixed asset additions	(1,694)	-
Depreciation charges	1,732	2,547
Interest received	(12)	(331)
Decrease / (increase) in debtors	(48,327)	12,348
Increase / (decrease) in creditors	101,448	(63,613)
	<u>118,350</u>	<u>294,828</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Interest received	<u>12</u>	<u>331</u>
Net cash used in investing activities	<u>12</u>	<u>331</u>
Increase in cash and cash equivalents in the year	118,362	295,159
Cash and cash equivalents at the beginning of the year	<u>678,630</u>	<u>383,471</u>
Cash and cash equivalents at the end of the year	<u><u>796,992</u></u>	<u><u>678,630</u></u>

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2022

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 2019) - (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 2022

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 2022

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 2024. A bond has been provided by The London Borough of Barnet of up to £76,000, which is the amount actuarially assessed in June 2020 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 2022

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 £	2021 Total £
Income from:			
Donations	-	721,044	721,044
Charitable activities	607,172	629,177	1,236,349
Investments	-	331	331
Total income	607,172	1,350,552	1,957,724
Expenditure on:			
Raising funds	-	12,416	12,416
Charitable activities	607,172	994,259	1,601,431
Total expenditure	607,172	1,006,675	1,613,847
Net income and net movement in funds	-	343,877	343,877

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2022

3. Income from donations

	2022	2021
	Total	Total
	£	£
Coronavirus Job Retention Scheme	42,032	414,327
Arts Council England - Cultural Recovery Fund	-	300,000
Donations	11,707	6,717
	<u>53,739</u>	<u>721,044</u>

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

4. Income from charitable activities

	Restricted	Unrestricted	2022
	£	£	Total
			£
Grants and service level agreements			
Arts Council Funding - Music Education Hubs	516,648	-	516,648
London Music Fund	3,628	-	3,628
Arts Council Funding - Teacher's Pension Contributions	81,604	-	81,604
Total grants and service level agreements	<u>601,880</u>	<u>-</u>	<u>601,880</u>
Course contributions and other income			
Schools income	-	395,057	395,057
Individual instrument tuition	-	534,912	534,912
A level music	-	59,561	59,561
Events	-	10,900	10,900
Music centres and activities	-	1,629	1,629
Instrument hire	-	3,366	3,366
Total course contributions and other income	<u>-</u>	<u>1,005,425</u>	<u>1,005,425</u>
Total income from charitable activities	<u>601,880</u>	<u>1,005,425</u>	<u>1,607,305</u>

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2022

4. Income from charitable activities (continued)

Prior period comparative:

	Restricted £	Unrestricted £	2021 Total £
Grants and service level agreements			
Arts Council Funding - Music Education Hubs	514,216	-	514,216
London Music Fund	4,851	-	4,851
John Lyon's Charity	6,500	-	6,500
Arts Council Funding - Teacher's Pension Contributions	<u>81,605</u>	<u>-</u>	<u>81,605</u>
Total grants and service level agreements	<u>607,172</u>	<u>-</u>	<u>607,172</u>
Course contributions and other income			
Schools income	-	99,851	99,851
Individual instrument tuition	-	424,660	424,660
A level music	-	48,126	48,126
Events	-	45,460	45,460
Instrument hire	<u>-</u>	<u>11,080</u>	<u>11,080</u>
Total course contributions and other income	<u>-</u>	<u>629,177</u>	<u>629,177</u>
Total income from charitable activities	<u>607,172</u>	<u>629,177</u>	<u>1,236,349</u>

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2022

5. Government grants

The charitable company receives government support under the Coronavirus Job Retention Scheme and funding from Arts Council England to fund charitable activities. The total value of such grants in the period ending 31 March 2022 was £640,284 (2021: £1,310,148). There are no unfulfilled conditions or contingencies attaching to these grants in 2021/22.

6. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2022 Total £
Music lessons and events				
Instruments and music	-	5,307	-	5,307
Music teachers (note 8)	10,799	1,222,310	-	1,233,109
Teacher training	-	3,967	-	3,967
External trainers and musicians	-	11,151	-	11,151
Educational partners	-	550	-	550
Events	-	297	-	297
Venue hire	-	18,076	-	18,076
Subscriptions	-	2,883	-	2,883
Administrative costs				
Printing, postage and stationery	-	-	3,849	3,849
Telecoms and computer	-	-	21,284	21,284
Equipment hire	-	-	912	912
Premises expenses	-	-	27,198	27,198
Insurance	-	-	13,843	13,843
Sundry	-	-	31	31
Bank charges	-	-	13,193	13,193
Payroll and human resources	-	-	12,432	12,432
Training and conferences	-	-	1,008	1,008
Staff (note 8)	-	-	205,388	205,388
Professional fees	-	-	19,643	19,643
Depreciation	-	-	1,732	1,732
Sub-total	10,799	1,264,541	320,513	1,595,853
Allocation of support and governance costs	-	320,513	(320,513)	-
Total expenditure	10,799	1,585,054	-	1,595,853

Total governance costs were £9,900 (2021: £9,463).

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2022

6. Total expenditure (continued)

Prior period comparative:

	Raising funds £	Charitable activities £	Support and governance costs £	2021 Total £
Music lessons and events				
Instruments and music	-	8,162	-	8,162
Music teachers (note 8)	12,416	1,286,996	-	1,299,412
Teacher training	-	3,094	-	3,094
External trainers and musicians	-	221	-	221
Educational partners	-	9,232	-	9,232
Venue hire	-	1,037	-	1,037
Subscriptions	-	3,546	-	3,546
Administrative costs				
Printing, postage and stationery	-	-	1,940	1,940
Telecoms and computer	-	-	16,492	16,492
Equipment hire	-	-	1,608	1,608
Premises expenses	-	-	13,367	13,367
Insurance	-	-	14,063	14,063
Bank charges	-	-	7,053	7,053
Payroll and human resources	-	-	9,749	9,749
Staff (note 8)	-	-	212,861	212,861
Professional fees	-	-	9,463	9,463
Depreciation	-	-	2,547	2,547
Sub-total	12,416	1,312,288	289,143	1,613,847
Allocation of support and governance costs	-	289,143	(289,143)	-
Total expenditure	12,416	1,601,431	-	1,613,847

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2022

7. Net movement in funds

This is stated after charging:

	2022	2021
	£	£
Depreciation	1,732	2,547
Trustees' reimbursed expenses	Nil	Nil
Trustees' remuneration	Nil	Nil
Auditors' remuneration:		
▪ Statutory audit (including VAT)	8,940	8,460
▪ Other services (including VAT)	960	930
Operating lease rentals	<u>24,049</u>	<u>5,920</u>

8. Staff costs and numbers

Staff costs were as follows:

	2022	2021
	£	£
Teachers wages	829,072	950,378
Teachers social security	44,279	55,043
Teachers pension	178,978	194,911
Self employed teachers	<u>180,780</u>	<u>99,080</u>
	1,233,109	1,299,412
Staff wages	154,434	162,559
Staff social security	14,965	15,593
Staff pension	<u>35,989</u>	<u>34,709</u>
	<u>1,438,497</u>	<u>1,512,273</u>

One employee earned received employee benefits (excluding employer pension costs) of between £60,000 and £70,000 during the year (2021 - one).

The key management personnel of the charity comprise the Chief Executive Officer, the two Directors of Standards and Excellence and one Director of Participation and Learning. The total employee benefits of the key management personnel of the charity were £163,167 (2021: £221,217).

	2022	2021
	No.	No.
Average head count during the year	<u>69</u>	<u>86</u>

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2022

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 £
Cost			
At 1 April 2021	25,331	11,846	37,177
Additions	-	1,694	1,694
At 31 March 2022	<u>25,331</u>	<u>13,540</u>	<u>38,871</u>
Depreciation			
At 1 April 2021	24,612	11,257	35,869
Charge for the year	719	1,013	1,732
At 31 March 2022	<u>25,331</u>	<u>12,270</u>	<u>37,601</u>
Net book value At 31 March 2022	<u>-</u>	<u>1,270</u>	<u>1,270</u>
At 31 March 2021	<u>719</u>	<u>589</u>	<u>1,308</u>

11. Debtors

	2022 £	2021 £
Trade debtors	119,979	24,291
Prepayments	19,960	14,636
Accrued income	-	52,685
	<u>139,939</u>	<u>91,612</u>

12. Creditors : amounts due within 1 year

	2022 £	2021 £
Trade creditors	28,219	12,292
Accruals	13,054	10,585
PAYE and social security	17,793	22,448
Deferred income (note 13)	268,582	153,902
Other creditors	1,494	28,467
	<u>329,142</u>	<u>227,694</u>

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2022

13. Deferred income

	2022	2021
	£	£
At 1 April 2021	153,902	194,347
Amounts deferred during the year	268,582	153,902
Amounts released during the year	(153,902)	(194,347)
At 31 March 2022	<u>268,582</u>	<u>153,902</u>

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	-	-	1,270	1,270
Current assets	12,961	78,437	845,533	936,931
Current liabilities	-	-	(329,142)	(329,142)
Net assets at 31 March 2022	<u>12,961</u>	<u>78,437</u>	<u>517,661</u>	<u>609,059</u>
Prior period comparative				
	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	1,308	1,308
Current assets	12,961	78,437	678,844	770,242
Current liabilities	-	-	(227,694)	(227,694)
Net assets at 31 March 2021	<u>12,961</u>	<u>78,437</u>	<u>452,458</u>	<u>543,856</u>

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2022

15. Movements in funds

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
Restricted funds				
Arts Council Funding - Music Education Hubs	-	516,648	(516,648)	-
London Music Fund	-	3,628	(3,628)	-
Royal Albert Hall Concert	12,961	-	-	12,961
Arts Council Funding - Teacher's Pension Contributions	-	81,604	(81,604)	-
Total restricted funds	12,961	601,880	(601,880)	12,961
Unrestricted funds				
<i>Designated funds</i>				
Teachers' Pensions	78,437	-	-	78,437
<i>Total designated funds</i>	78,437	-	-	78,437
General funds	452,458	1,059,176	(993,973)	517,661
Total unrestricted funds	530,895	1,059,176	(993,973)	596,098
Total funds	543,856	1,661,056	(1,595,853)	609,059

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.

London Music Fund

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.

Royal Albert Hall Concert

£12,961 of donations during 2019-20 were explicitly collected to support a Royal Albert Hall event. As it had to be cancelled due to COVID-19 these funds will remain restricted.

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2022

15. Movements in funds (continued)

Purposes of restricted funds (continued)

Arts Council Funding - Teacher's Pension Contributions

This grant is awarded towards Music Education Hubs' Teachers Pension contributions for 2021-22. It is allocated by the Department for Education in recognition of the increase of employers' pension contributions from September 2019.

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.

Prior period comparatives	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
Restricted funds				
Arts Council Funding - Music Education Hubs	-	514,216	(514,216)	-
London Music Fund	-	4,851	(4,851)	-
John Lyon's Foundation	-	6,500	(6,500)	-
Royal Albert Hall Concert	12,961	-	-	12,961
Arts Council Funding - Teacher's Pension Contributions	-	81,605	(81,605)	-
Total restricted funds	12,961	607,172	(607,172)	12,961
Unrestricted funds				
<i>Designated funds</i>				
Teachers' Pensions	78,437	-	-	78,437
<i>Total designated funds</i>	78,437	-	-	78,437
General funds	108,581	1,350,552	(1,006,675)	452,458
Total unrestricted funds	187,018	1,350,552	(1,006,675)	530,895
Total funds	199,979	1,957,724	(1,613,847)	543,856

Barnet Education Arts Trust

Notes to the financial statements

For the year ended 31 March 2022

16. Operating lease rentals

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

	2022	2021
	£	£
Amount falling due:		
Within 1 year	24,049	22,000
Within 1 - 5 years	12,283	34,375
	<u>36,332</u>	<u>56,375</u>

17. Related party transactions

There were no related party transactions in the current year or the prior year.